

# **OSWAL OVERSEAS LIMITED**

**32<sup>ND</sup> ANNUAL REPORT**

**2015-16**

# **OSWAL OVERSEAS LIMITED**

## **BOARD OF DIRECTORS**

- |                               |                      |
|-------------------------------|----------------------|
| 1. Mr. Paramjeet Singh        | Managing Director    |
| 2. Mr. Anoop Kumar Srivastava | Director             |
| 3. Mr. Harihar Nath Sharma    | Independent Director |
| 4. Ms. Anjul Agarwal          | Independent Director |
| 5. Mr. Rajinder Pal Singh     | Independent Director |

## **COMPANY SECRETARY**

Mr. Lalit Kumar

## **CHIEF FINANCIAL OFFICER**

Mr. Aijaz Ahmad

## **CHIEF EXECUTIVE OFFICER**

Mr. Ashok Kumar

## **AUDITORS**

**KANSAL SINGLA & ASSOCIATES**

Chartered Accountants,  
SCO-80-81, Sector-17C,  
Chandigarh-160017

## **BANKERS**

HDFC Bank  
State Bank of India

## **REGISTERED OFFICE**

72, Ground Floor,  
Taimoor Nagar,  
Opp. New Friends Colony,  
New Delhi-110025

## **WORKS**

Village: Aurangabad  
Tehsil: Nawab Ganj  
Dist.: Bareilly- 243406 (U.P)

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 32<sup>ND</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF OSWAL OVERSEAS LIMITED (CIN L74899DL1984PLC018268) WILL BE HELD ON THURSDAY, 29<sup>TH</sup> SEPTEMBER, 2016 AT 12:30 P.M. AT REGISTERED OFFICE OF THE COMPANY AT 72, GROUND FLOOR, TAIMOOR NAGAR, NEW DELHI - 110025 TO TRANSACT THE FOLLOWING BUSINESSES:-**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2016, together with the Report of the Directors and Auditors' thereon.
2. To appoint a director in place of Mr. Anoop Kumar Srivastava (DIN: 07052640), who retires by rotation and being eligible offers himself for reappointment.
3. To ratify appointment of Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 139 (2) and 142(1) and other applicable provision, if any, of the Companies Act, 2013 and the rules made there under as amended from time to time and pursuant to the resolution passed at the 32<sup>nd</sup> Annual General Meeting (AGM), the appointment of M/s Kansal Singla & Associates (Firm registration No: 3897N), Chartered Accountants, as Auditors of the company, to hold office from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2017, be and is hereby ratified by the members of the company on remuneration of Rs. 1 Lakh (Rupees One Lakh Only) per annum."

**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** Mr. Rajinder Pal Singh (DIN: 07359378), who was appointed by the Board of Directors as an Independent Additional Director of the Company with effect from 30<sup>th</sup> January, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."  
**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, appointment of Mr. Rajinder Pal Singh (DIN: 07359378) (who meets the criteria for independence as provided in Section 149(6) of the Act), as an Independent Director of the Company, not liable to retire by rotation, for a term commencing with effect from 30<sup>th</sup> January, 2016 to 29<sup>th</sup> January, 2021 be and is hereby approved."
5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 40,000/- payable to M/s M K Singhal & Co., Cost Accountants (Firm's Registration No. 00074) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31 March, 2017."

**By order of the Board of Directors**

**Date:** 12.08.2016  
**Place:** New Delhi

**Lalit Kumar**  
**Company Secretary**

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER.**  
A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder.  
The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the meeting and can vote only on a poll.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business listed in item nos. 4 to 5 of the Notice is annexed hereto and forms part of this Notice.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and share transfer books of the Company shall remain closed from Friday, 23<sup>rd</sup> September, 2016 to Thursday, 29<sup>th</sup> September, 2016 (both days inclusive).
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
5. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

6. Members who have not registered their email addresses so far are requested to register them for receiving all communication including Annual Report and other Notices from the Company electronically.
7. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.
8. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to offer e-voting facility which will enable the Members to cast their votes electronically on all the resolutions set out in the Notice.  
The Board of Directors has appointed Mr. Anuj Kumar Malik, a Practicing Company Secretary (ACS 42273, CP NO. 16061) as Scrutinizer for conducting the electronic voting process in a fair and transparent manner. The Scrutinizer shall submit his report, to the Chairman, on the votes cast in favour or against, if any, within a period of three working days from the date of conclusion of the e-voting period.

**9. E-voting facility-**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26<sup>th</sup> September, 2016 at 9:00 A.M. and ends on 28<sup>th</sup> September, 2016 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Oswal Overseas Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2016 may follow the same instructions as mentioned above for e-Voting.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

10. The Results shall be declared at or after the Annual General Meeting of the Company. The Results declared, along with the Scrutiniser's Report, shall be placed on the Company's website [www.oswaloverseasltd.com](http://www.oswaloverseasltd.com) and on the website of RTA within three working days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges where the shares of the Company are listed, viz. BSE Ltd.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015**

Sr. No.	Name of the Directors	Mr. Rajinder Pal Singh (Independent Director)	Mr. Anoop Kumar Srivastava (Director)
1.	Director Identification Number (DIN)	07359378	07052640
2.	Date of Birth	02.01.1990	13.03.1978
3.	Permanent Account Number (PAN)	CGNPS5866B	BGUPS7161P
4.	Date of Appointment on the Board	30.01.2016	31.03.2015
5.	Qualifications	B.BA	B-Com
6.	Experience and Expertise in specific functional area	4 Years Experience in Business and having the good knowledge of financial	10 years experience in IT management and 3 years experience in export management
7.	No. of equity shares held in the Company (as on 31st March, 2016)	NIL	NIL
8.	List of other directorships	NIL	AMRIT RESTAURANTS AND HOTELS PRIVATE LIMITED
9.	Relationships between directors inter-se	NO	NO
10.	Name of other listed companies in which he/ she holds the directorship and membership of committees	NIL	NIL

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

The Board, at its meeting held on 30 January, 2016 appointed Mr. Rajinder Pal Singh (DIN: 07359378), as an Additional Director of the Company as also an Independent Director, not liable to retire by rotation, with effect from 30 January, 2016 to 29 January, 2021, subject to the approval of the Members.

Pursuant to the provisions of Section 161 of the Act, being an Additional Director, Mr. Rajinder Pal Singh will hold office upto the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company. The Company has received notice in writing under Section 160 of the Act from a member along with the requisite deposit of Rs. 1,00,000/- (through cheque) proposing the candidature of Mr. Rajinder Pal Singh for the office of Director.

The Company has received from Mr. Rajinder Pal Singh (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of Act (iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of Act.

The resolution seeks the approval of the members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made there under, for appointment of Mr. Rajinder Pal Singh as an independent Director of the Company for a period commencing from 30 January, 2016 to 29 January, 2021. Mr. Rajinder Pal Singh is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Rajinder Pal Singh, fulfills the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the letter of appointment of Mr. Rajinder Pal Singh as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Rajinder Pal Singh is provided in to this notice.

The Board considers that Mr. Rajinder Pal Singh's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Rajinder Pal Singh as an Independent Director.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Rajinder Pal Singh, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

**Item no. 5**

The Company is required under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of M K Singhal & Co., Cost Accountants (Firm's Registration No. 00074) of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31 March, 2016, at a remuneration of Rs. 40,000/- plus reimbursement of out-of-pocket expenses.

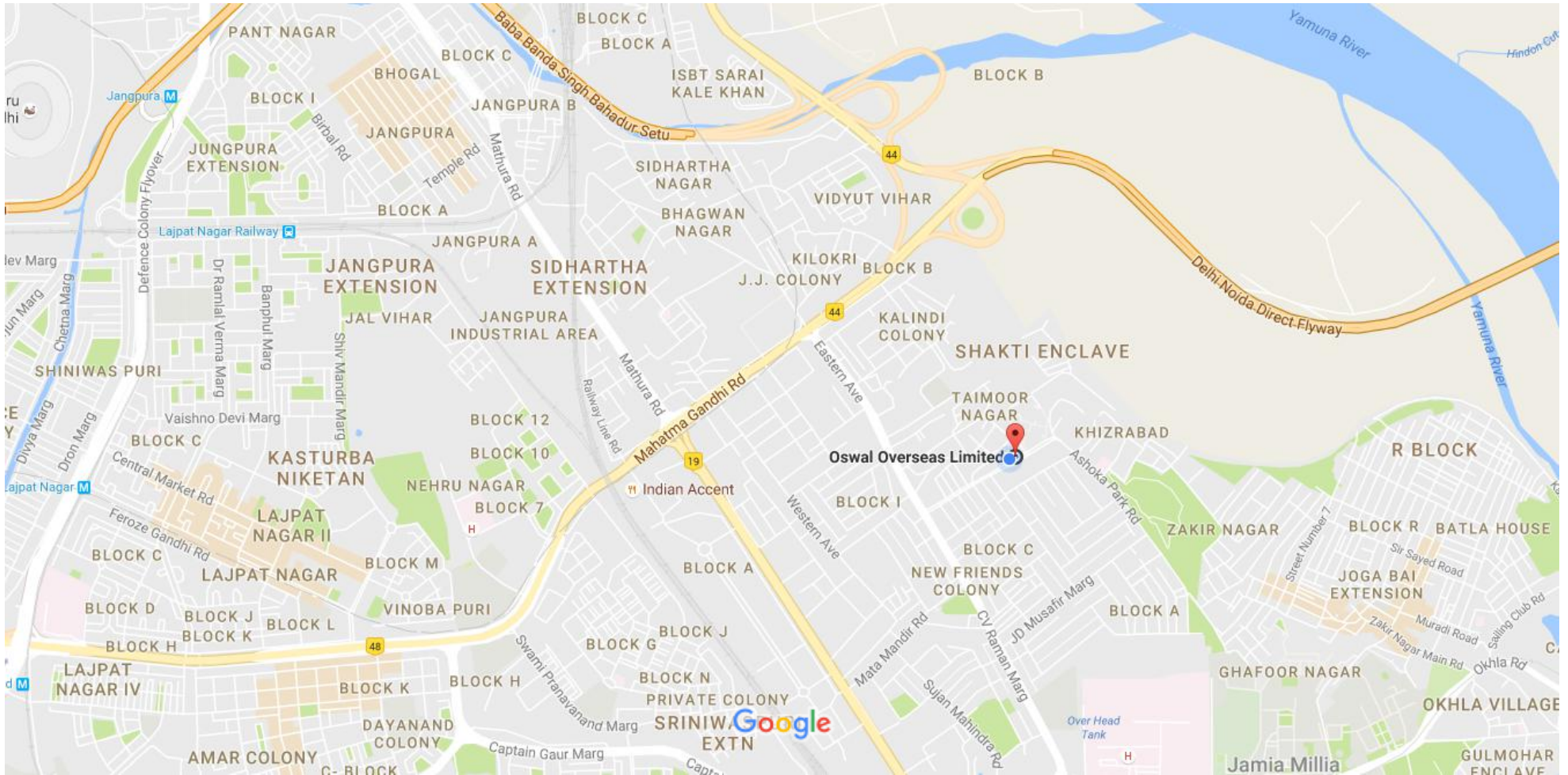
In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31 March, 2017.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Map of the venue of Annual General Meeting of Oswal Overseas Limited  
72, Ground Floor, Taimoor Nagar, New Delhi - 110025



Map data ©2016 Google 200 m

## Director's Report

To,  
The Members,  
OSWAL OVERSEAS LIMITED

Your Directors have pleasure in presenting their 32<sup>nd</sup> Annual Report on the business and operations of the Company and the Audited Accounts of your Company for the Financial Year ended March 31, 2016.

### 1. Financial Results

Particulars	(Figs in Lakhs)	
	2015-16	2014-15
Sales and other Income	5682.88	1154.86
Increase/Decrease in WIP and Finished Goods	1200.48	(686.55)
Profit/Loss before Depreciation, Interest and Taxes	(234.04)	(625.31)
Financial Charges	267.07	251.28
Depreciation	151.38	165.70
Profit before tax	(652.49)	(1042.29)
Profit/Loss after Tax	(652.49)	(1042.29)
Surplus carried to Balance Sheet/ Loss carried forward to B/S	(652.49)	(1042.29)
Dividend	Nil	Nil

### 2. Operational performance:

Particulars	2015-2016	2014-2015
<b>Sugar Division</b>		
Start of crushing season	30/11/2015	24/12/2014
Close of crushing season	08/03/2016	17/02/2015
Duration (Days)	100	56
Recovery (%)	9.42	7.96
Cane crushed (Lakh Qtls)	1501219	783849
<b>Production (Qtls)</b>		
White Sugar (Qtls)	140661	57238
BISS Sugar (Qtls)	760	5183
Molasses (Qtls)	84568	39047
<b>Furnace Division</b>		
Production (Tonnes)- MS Ingots	Nil	Nil

### 3. Operations:

Total Income of the Company has increased from 1154.86 Lakh (14-15) to Rs. 5682.88 Lakh (15-16) at a growth rate of 392.08%. The Net Loss of the company decreased to Rs. 652.49 Lakh from Rs. 1042.29 Lakh of the previous year.

### 4. Dividend

Due to unavailability of profit of the Company, Your Board of Directors is not in position to recommend any dividend for the current Financial Year.

### 5. Preference Share

The Company has allotted 60,00,000 fully-paid-up Non-convertible Redeemable Preference Shares of Rs. 10 (Ten) each on Private Placement Basis during the financial year 2015-16.

### 6. Significant and Material orders passed by the regulators or courts or tribunals

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### 7. Internal controls system and their adequacy

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### 8. Management Discussion and Analysis Report:

In terms of the provisions of Regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Management Discussion and Analysis Report is set out in this Annual Report.

### 9. Deposits

We have not accepted any deposits and, as such, no amount of interest and principal was outstanding as at the date of Balance Sheet.

#### **10. Particulars of Loans, Guarantee or investments**

Loans, Guarantee and investments covered under section 186 of the Companies Act, 2013 form parts of the notes to the financial Statements provided in the Annual Report.

#### **11. Auditors**

##### **Statutory Auditor**

At the Annual General Meeting held on 29.09.2014, M/s. Kansal Singla & Associates, Chartered Accountants, Chandigarh, were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017, in terms of the first proviso of section 139 of the Companies Act, 2013, subject to the ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of statutory Auditors is being sought from the members of the company at the ensuing Annual General Meeting.

The Auditor report for the financial year 2015-16 is enclosed with the financial statement in this annual report.

##### **Secretarial Auditors**

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014, the Company has appointed D. S. Associates, Company Secretaries (C. P. No. 7347) to undertake the secretarial audit of the Company for the financial year 2015-16. The Secretarial Audit Report is annexed herewith as "Annexure – 1".

##### **Internal Auditor**

M/S Goel Vishal & Associates, Chartered Accountants, Bareilly (Uttar Pradesh) represented by Mr. Vishal Goel (Membership No. 096840) performs the duties of internal auditors of the Company for the financial year 2015-16 and their report is reviewed by the Audit Committee from time to time.

##### **Auditors' certificate on Corporate Governance**

As required by SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the auditors certificate on Corporate Governance is annexed herewith as "Annexure – 4". The Auditors certificate for the financial year 2015-16 does not contain any qualification, reservation or adverse remark.

#### **12. Share Capital**

##### **Re-classification of Authorized Share Capital**

The Company has re-classify its Authorised Share Capital through special resolution passed by the members in Annual General Meeting held on 28<sup>th</sup> September, 2015, the unissued Authorised Equity Share Capital of the Company to the extent of Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore Only) of Rs. 10/- (Rupees Ten Only) each has been reclassified as Preference Share Capital by way of cancellation of the said Authorised Equity Share Capital and create in lieu thereof the Preference Share Capital of Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore Only) Preference Share of Rs. 10/- (Rupees Ten Only) without altering the overall and Memorandum of Association of the company amended accordingly.

#### **13. Extract of the annual return**

In accordance with Section 134(3) of the companies Act, 2013 an extract of the annual return in Form MGT – 9 is annexed herewith as "Annexure – 2."

#### **14. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8, of The Companies (Accounts) Rules, 2014 is Annexed herewith as "Annexure – 3."

#### **15. Directors and Key Managerial Personnel:**

##### **A) Appointment of Director**

At a board meeting held on 30<sup>th</sup> January, 2016 the board had appointed Mr. Rajinder Pal Singh (DIN 07359378) as Additional Director in the category of Independent Director. He may be regularized subject to the approval of Shareholders in ensuing Annual General Meeting under the provision of Companies Act, 2013.

##### **B) Change in Chief Executive Officer**

Mr. Surya Prakash Ojha, Chief Executive Officer and Key Managerial Personal of the company have resigned from the company with effect from 26 August, 2015.

At a Board Meeting held on 8<sup>th</sup> September, 2015 the Board had appointed Mr. Kiran Pal Singh as Chief Executive Officer and Key Managerial Personal of the Company.

##### **C) Re-appointment**

As per the provision of the Companies Act, 2013, Mr. Anoop Kumar Srivastava, Director retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

#### **16. Number of meetings of the Board of Directors**

During the year 12 (Twelve) Board Meeting and 1 (one) independent director's meeting were held. The details of which are given in Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

**17. Committees of the Board of Director of the Company**

Currently the Board has three committees: the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The details with regards to the composition and meetings held during the financial year 2015-16 are in the Corporate Governance Report.

**18. Policy on Director's appointment and Remuneration**

The current policy is to have an appropriate mix of executives and independent directors to maintain the independence of the Board, and separate its function of governance and management. On March 31, 2016, the Board consist of five members, one of whom is executive, one is non-executive and three are independent directors.

The policy of the company on director's appointment and remuneration, including criteria for determining qualification, positive attributes, independence of Director and other matters, as required under sub-section (3) of section 178 of the companies Act, 2013, is available on our website ([www.oswaloverseasltd.com](http://www.oswaloverseasltd.com)). there has been no change in the policy since the last financial year. We affirm that the remuneration paid to the directors as per terms laid down in the Nomination and Remuneration Policy of the company.

**19. Declaration by Independent Directors**

The company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013, that he/she meet the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**20. Board Evaluation**

SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board Dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking board and committee's effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its committee and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation process has been explained in the Corporate Governance Report.

**21. Familiarization Programme of Independent Directors**

All new independent director inducted in to the Board attain an orientation program. The details of training and familiarization program are provided in the Corporate Governance Report and are also available on our website ([www.oswaloverseasltd.com](http://www.oswaloverseasltd.com)). further at the time of appointment of an independent director, the company issue a formal letter of appointment outlining his/ her role, function duties and responsibilities. The format of the letter of Appointment is available on our website ([www.oswaloverseasltd.com](http://www.oswaloverseasltd.com)).

**22. Oswal's Code of Conduct for the prevention of Insider Trading**

The Board of Directors has adopted the Insider Trading Policy in accordance with the provision of the requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the company lays down guidelines and procedures to be followed, and disclosure to be made while dealing in the shares of the company, as well as consequences of the violation.

The Insider Trading Policy of the Company covering code of Practice and procedure of fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website ([www.oswaloverseasltd.com](http://www.oswaloverseasltd.com)).

**23. Listing Agreement**

The Securities and Exchange Board of India (SEBI), on 2<sup>nd</sup> September, 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provision of the Listing Agreement for different segment of capital market to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed companies required to enter into the listing agreement within six months from the effective date. The company entered into Listing Agreement with BSE Limited during February, 2016.

**24. Vigil Mechanism/ whistle blower policy**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company. There has been no change to the Whistle Blower Policy adopted by the company during the financial year 2015-16.

**25. Managerial Remuneration & Particulars of employees:**

- A. Due to financial constraints being faced by the company no one director receiving any remuneration from the company. Further no sitting fees have been paid to any director during the year.

- B. No increase in the remuneration of director, chief financial officer, chief executive officer, company secretary of the company in the financial year.
- C. Total no. of permanent employee of the company is 60 in the financial year as on 31<sup>st</sup> March, 2016.
- D. The remuneration paid to all the Key Managerial Personal was in accordance with remuneration policy adopted by the company.
- E. The particulars of employee who are covered by the provision contained in Rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 are:
  - i). Employed throughout the year Nil
  - ii). Employed for part of the year Nil

### **26. Corporate Governance**

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. Corporate governance requires everyone to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources optimally with the sound & prudent ethical standard. The Company recognizes that good corporate governance is a continuous exercise.

Adherence to transparency, accountability, fairness and ethical standard are integral part of the company's function. Your Company's structure, business dealings, administration and disclosure practices have aligned to good corporate governance philosophy. Your Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company aims to increase and sustain its corporate value through growth and innovation.

Our Corporate Governance Report for the financial year 2015-16 form parts of this Annual Report.

### **27. Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **28. Related Party Transaction**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions has approved by the Board of Directors of the Company. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

### **29. Risk management policy**

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

### **30. Acknowledgements**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

**For and on behalf of the Board of Directors  
OSWAL OVERSEAS LIMITED**

Place: New Delhi  
Dated: 12/08/2016

Sd/-  
Anoop Kumar Srivastava  
Director  
DIN: 07052640

Sd/-  
Paramjeet Singh  
(Managing Director)  
DIN: 00313352

**Annexure - 1**  
Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31/03/2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
**Oswal Overseas Limited**  
**(CIN: L74899DL1984PLC018268)**  
G.F. 72, Taimoor Nagar, New Delhi-110065

Sir,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Oswal Overseas Limited (the Company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the financial year ended on **31<sup>st</sup> March, 2016** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
(Not applicable as the Company do not have any Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14<sup>th</sup> May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
(Not applicable as the Company has not issued any securities)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);  
(Not Applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme.)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
(Not applicable as the Company has not issued any debt securities which were listed)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;  
(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
(Not applicable as the company has not opted for any Delisting) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;  
(Not applicable as the company has not done any Buyback of securities.)
- vi. Other laws as applicable specifically to the Company:
  - a. Sugar Cess Act, 1982
  - b. Levy sugar price equalisation fund act, 1976
  - c. Food Safety and Standards Act, 2006
  - d. Sugar Development Fund Act, 1982
  - e. Essential commodities Act, 1955

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Ministry of Corporate Affairs w.e.f. 1<sup>st</sup> July, 2015.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited;

The Company was also listed with Delhi Stock Exchange and Ludhiana Stock Exchange but the Securities and Exchange Board of India (SEBI) vide its order no.(s) WTM/PS/45/MRD/DSA/NOV/2014 dated 19th November,2014 has derecognised Delhi Stock Exchange Limited and vide Order no.(s) WTM/RKA/MRD/166/2014 dated 30th December, 2014 has issued an exit order for Ludhiana Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (Except in cases where the meeting is held on shorter notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has taken following major decisions:

1. Re-classification from the existing authorized share capital of Rs. 36,00,00,000/- (Rupees Thirty Six Crore only) divided into 3,30,00,000 (Three Crore thirty Lakhs only) equity shares of Rs. 10/- (Rupees Ten) each and 30,00,000 (Thirty lakhs) Preference Share of Rs. 10/- each into 2,60,00,000 (Two Crore Sixty Lakhs only) equity share of Rs. 10/- (Rupees Ten only) each and 1,00,00,000 (One Crore Only) Preference Shares of Rs. 10/- (Rupees Ten only) each;
2. Amendment of the Memorandum of Association and Adoption of new set of regulations contained in the Articles of Association in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company as per the Companies Act, 2013;
3. Issue of 60,00,000 Non-Convertible Redeemable Preference Shares ('NCRPS') of Rs. 10/- (Rupees Ten Only) aggregating to Rs. 6,00,00,000/- in one or more tranche(s) for cash at par, on Private Placement Basis;
4. To make borrowings pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 which shall not exceed Rs. 350 Crore (Rupees Three Hundred Fifty Crore only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher;
5. Abandon or withdrawal of the resolution passed by the member in their meeting dated 3rd November 2014 for granting the approval for issue of preference share capital of Rs. 3 crores on Private Placement Basis.

**For D.S. Associates  
Company Secretaries**

**Sd/-  
Dhawal Kant Singh  
Prop.  
ACS No.: A17697  
C P No.: 7347  
Place: New Delhi  
Date: 27/06/2016**

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To,  
The Members,  
**Oswal Overseas Limited**  
**(CIN: L74899DL1984PLC018268)**  
G.F. 72, Taimoor Nagar, New Delhi-110065  
Sir,

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

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

**For D.S. Associates  
Company Secretaries**

**Sd/-  
Dhawal Kant Singh  
Prop.  
ACS No.: A17697  
C P No.: 7347**

**Place: New Delhi  
Date: 27/06/2016**



b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1) :-</b>	-	-	-	-	-	-	-	-	-
<b>2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	800	800	0.01	-	800	800	0.01	-
ii) Overseas									
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs.1 lakh	12700	95950	108650	1.68	12700	95950	108650	1.68	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	1054550	1054550	16.32	-	1054550	1054550	16.32	
c) Others (specify)									
HUF	8100	450000	458100	7.09	8100	450000	458100	7.09	
<b>Sub-total(B)(2) :-</b>	20800	1601300	1622100	25.10	20800	1601300	1622100	25.11	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	20800	1601300	1622100	25.10	20800	1601300	1622100	25.11	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	4859750	1601300	6461050	100	4859750	1601300	6461050	100	

## (ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	PARAMJEET SIINGH	1808710	27.994	-	1808710	27.994	-	-
2.	MANJEET SINGH	1739840	26.928	-	1739840	26.928	-	-
3.	SURJEET SINGH HUF	1221650	18.908	-	1221650	18.908	-	-
4.	RANJEETA KAUR	68750	1.064		68750	1.064	-	-

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year	No changes during the year			
Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat / equity etc.)	No changes during the year			
At the end of the year	No changes during the year			

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares	No of shares	% of total shares

			of the company		of the company
1.	Rajinder Sharma	64000	0.991	64000	0.991
2.	Manuj Sharma	64000	0.991	64000	0.991
3.	Ravi Manchanda	64000	0.991	64000	0.991
4.	Veena Manchanda	64000	0.991	64000	0.991
5.	Rajkumar Bhasin	64000	0.991	64000	0.991
6.	Rajesh Bhasin	64000	0.991	64000	0.991
7.	Naresh Bhasin	64000	0.991	64000	0.991
8.	A Charu Goyalw	64000	0.991	64000	0.991
9.	Poonam Agarwal	64000	0.991	64000	0.991
10.	Gurubachan Kaur Gujral	64000	0.991	64000	0.991

## (v) Shareholding of Directors and Key Managerial Personnel :

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1. Mr. Paramjeet Singh (Managing Director)</b>				
At the beginning of the year	1808710	27.994	1808710	27.994
Increase or Decrease	-	-	-	-
At the end of the year	1808710	27.994	1808710	27.994
<b>2. Mr. Anoop Kumar Srivastava (Director)</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Increase or Decrease	-	-	-	-
At the end of the year	Nil	Nil	Nil	Nil
<b>3. Mr. Kiran Pal Singh (Chief Executive Officer)</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Increase or Decrease	-	-	-	-
At the end of the year	Nil	Nil	Nil	Nil
<b>4. Mr. Aijaz Ahmad (Chief Financial Officer)</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Increase or Decrease	-	-	-	-
At the end of the year	Nil	Nil	Nil	Nil
<b>5. Mr. Lalit Kumar (Company Secretary)</b>				
At the beginning of the year	Nil	Nil	Nil	Nil
Increase or Decrease	-	-	-	-
At the end of the year	Nil	Nil	Nil	Nil

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1140.50	1221.35	-	2361.85
ii) Interest due but not paid	32.79	-	-	32.79
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1173.29</b>	<b>1221.35</b>	<b>-</b>	<b>2394.64</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	500.00	687.08	-	1187.08
• Reduction	64.96	1529.34	-	1594.30
<b>Net Change</b>	<b>435.04</b>	<b>-842.26</b>	<b>-</b>	<b>-407.22</b>
<b>Indebtedness at the end of the financial year</b>				
iv) Principal Amount	1575.54	379.9	-	1954.63
v) Interest due but not paid	66.75	-	-	66.75
vi) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1642.29</b>	<b>379.09</b>	<b>-</b>	<b>2021.38</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of remuneration	Name of MD		Total Amount
		Mr. Paramjeet Singh		
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil		Nil
2.	Stock Option	Nil		Nil
3.	Sweat Equity	Nil		Nil
4.	Commission - as % of profit - Others, specify.....	Nil		Nil
5.	Others, please specify	Nil		Nil
	Total (A)	Nil		Nil
	Ceiling as per the Act			

## B. Remuneration to other directors:

Sl. No.	Particulars of remuneration	Name of Directors				Total Amount
		Mr. Hari Har Nath Sharma	Ms. Anjul Agarwal	Mr. Rajinder Pal Singh	Mr. Anoop Kumar Srivastava	
1.	Independent Directors • Free for attending board/ committee meetings • Commission • Others, please specify	Nil	Nil	Nil		Nil
	Total (1)	Nil	Nil	Nil		Nil
2.	Other Non-Executive Directors • Free for attending board / committee meetings • Commission • Others, please specify				Nil	Nil
	Total (2)				Nil	Nil
	Total (B) = (1+2)				Nil	Nil
	Total Managerial Remuneration				Nil	Nil
	Overall Ceiling as per the Act					

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	777833	285000	395400	1458233
		Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - Others, specify....	Nil	Nil	Nil	Nil
5.	Others, please specify				
	Total	777833	285000	395400	1458233

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

**MANAGEMENT'S DISCUSSION & ANALYSIS REPORT****1. OVER VIEW:**

Sugar industry is an important agro-based industry located in the rural India. About 50 million sugarcane farmers, their dependents and a large mass of agricultural labourer are involved in sugarcane cultivation, harvesting and ancillary activities. Besides, about 5 Lakh skilled and semi-skilled workers, mostly from the rural areas are engaged in the sugar industry. India is the second largest producer of sugar in the world after Brazil and is also the largest consumer. Today Indian sugar industry's annual output is worth approximately 80000 crores. Surplus production over domestic consumption in the last three sugar seasons and low exports due to subdued international sugar prices have led to building up of sugar stocks with the mills and low realization from sale of sugar. This has adversely affected the financial health of the mills and resulted in accumulation of cane price arrears.

**2. SWOT ANALYSIS:****Strength:**

- ❖ It is an established player in the sugar industry with an installed capacity of 3500 TCD at its Aurangabad, Nawabganj plant.
- ❖ OOL is planning to crush the maximum cane in shorter sugar season. The unit is strategically situated in cane rich belt of central Uttar Pradesh.
- ❖ Abundant Land at the existing plant site which may be used for the Company's future expansion and diversification programmes
- ❖ The unit is empowered with experienced, skilled and young Human Assets
- ❖ Presence of temporary labor force during peak period ensures maximum profits.

**Weaknesses:**

- ❖ Being the Seasonal Industry, OOL's growth plan & profitability depends on various cyclic constraints.
- ❖ The Company has not been able to achieve desired utilization levels on account of various technical limitations in its manufacturing process.
- ❖ Cane price is administered by State Government which may affect profitability and cash flow of Company.
- ❖ Quality of raw material largely depends upon natural and seasonal factors.

**Opportunities:**

- ❖ Co-Generation through Bagasse /Biomass, proposed to be used for forthcoming Co-gen Power Plant will qualify for Carbon Credits Mechanism
- ❖ OOL is planning to expand its Sugar & Furnace Capacities and setting-up Co-generation plant by consuming the by-product bagasse / Biomass through external resources. This will give opportunity to make use of capital resources during the off season even when sugar production remains stopped.
- ❖ Production of value added products such as refined sugar, small packs, sugar cubes etc. that shall bring in higher contribution.
- ❖ White sugar has the maximum market share in India and OOL will produce maximum white sugar in future also.

**Threats:**

- ❖ OOL has only one manufacturing plant which increases its risk in case of a plant failure or maintenance issues.
- ❖ OOL has to face tough competition with the existing competitors.
- ❖ Sugar & Alcohol/Ethanol Industries are always poised to threat because of continuous monitoring by Government policies in the form of Regularization or De-regularization & infrastructure changes.
- ❖ Cheap sugar imports are harming the existing sugar mills in India and leading them to crisis.
- ❖ Sugar industry is very volatile as many factors including rainfall, cultivated area and transportation cost affects sugarcane prices and hence make this industry unpredictable

**3. STRATEGY :**

The demand & supply gap of the Sugar across the Country may affect the small units like OOL. Hence the Company's near term strategy is to focus on higher cane recovery by improving internal efficiencies and higher production of sugar.

**4. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:**

The objective of your company is to create a workplace where every person can achieve his or her full potential. The employees are encouraged to put in their best. OOL recognizes that a large part of its success is attributable to the excellent human resources base created over the years. This intellectual capital reflects in the quality of our business strategy, our customer's relationship, strong project management and commercialization skills and our development capabilities.

**5. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

The efficiency of the internal control system has been improved with implementation of high level of system-based checks and controls through core business process in materials, operations, accounting & HR. Regular internal audits and checks are carried out to ensure that responsibilities are executed effectively and that adequate systems are in place to maintain authenticity and correctness of recorded transactions.

**6. FINANCIAL TRANSACTION :**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, and Accounting Standards in India. Our management accepts the responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgment used therein. The estimates and judgments relating to the financial statements have been made on a prudent & reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transaction and reasonably present out state of affairs and profits of the year.

**7. REVENUE ANALYSIS:**

Gross revenues in financial year 2015-16 has increased by 392% over the previous year to Rs. 5682.88 Lakh (P.Y. Rs. 1154.86 Lakh) while the net loss after tax were at Rs.652.49 Lakh in F.Y. 2015-16 in comparison of Net Loss Rs. 1042.29 Lakh in the F.Y. 2014-15.

**8. CAPITAL STRUCTURE :**

This financial year company has issued 60 Lakh Non-Convertible Redeemable Preference Shares of Rs. 10/- at par on Private Placement Basis. The paid-up capital of the company is Rs. 12,46,10,500/- as on 31<sup>st</sup> March, 2016 divided into equity share capital of Rs. 6,46,10,500/- and Preference share capital of Rs 6,00,00,000/-.

**9. RESERVE:**

Company's Free Reserves has decreased to Rs. -1870.46 Lakh in Financial Year 2015-16 in comparison to Financial Year 2014-15 Rs. -1217.97 Lakh.

**10. FINANCIAL OBJECTIVITY , INITIATIVE AND ACHIEVEMENTS :**

Your Company is taking proactive measures to ensure all financial costs are effectively reduced to positively impact the bottom line:

- (i) **Interest:** The outflow on account of interest & finance charges increased from Rs. 251.28 Lakhs in financial year 2014-15 to Rs. 267.07 Lakhs in financial year 2015-16, representing an increase of 6.28%.
- (ii) **Capital Expenditure:** Gross Block of Fixed Assets of the Company was Rs. 7943.54 Lakhs in Financial Year 2015-16 in comparison of Rs. 7911.24 Lakhs in Financial Year 2014-15. There was an addition of assets of Rs. 32.30 Lakhs during the financial year 2015-2016.
- (iii) **Depreciation:** Depreciation decreased from 165.70 Lakhs in financial year 2014-15 to Rs. 151.37 Lakhs in financial year 2015-16 decreased by Rs. 14.33 Lakhs in financial year 2015-16 representing a decrease of 8.64%.
- (iv) **Debtors:** Substantial Sugar Sales are on the cash basis; hence receivables cycle is very nominal. Debts for more than six months decreased by 26.48% in financial year 2015-16 to Rs.124.72 Lakhs compared to financial year 2014-15 of Rs. 169.65 Lakhs.
- (v) **Loans & Advances:** In Financial Year 2015-16, loans & advances stood at Rs. 826.4 Lakhs, compared to Rs. 854.93 Lakhs in Financial Year 2014-15.

**11. SIGNIFICANT ACCOUNTING POLICIES :** ( As mentioned in the Auditors Report)

Revenue Recognition, Inventories Valuation, Fixed Assets, Depreciation, Research & Development, Expenditure on new projects & substantial expansions, Cenvat Credit Sales Tax, Borrowing Cost, Earning Per Share, Taxes on Income, Segment Reporting Policy, Intangible Assets, Impairment of Assets, Provisions, Cash & Cash equivalent

**12. RISK MANAGEMENT:**

As a Company poised to take on the mantle of industry mainstream, OOL is exposed to various risks. The Company is engaged in the business of manufacturing Sugar. Some of these risks are external and result from the business environment we operate in, while some are internal to the Company. We have developed a risk reporting management process to manage potential risks in an informed manner.

We have a three-pronged risk management process. Our comprehensive risk governance culture ensures that business decisions taken balance risk and reward. Consequently, our earnings-generating initiatives are consistent with our risk standards. Our risk-management revolves around corporate policies that outlined standards and provide measurement guidelines for each risk category. The Company proactively evaluates and puts in place risk-mitigation initiatives, sets prudent limits on quantum of risk undertaken and does risk evaluation of major policy decisions.

We manage the variables impacting business risk with a disciplined risk management process is keeping with established standards. The risk management strategies and processes are regularly reviewed in keeping with the changing environment.

**13. RISK ENVIRONMENT:**

A number of potential risks in the current environment might make the Sugar Industry mixed prospects over the coming years. These risks may stem from Central/ State Government Policies, Cane availability, State administered Cane Price, Customer Concentration Risk and Geographical Risks amongst others. OOL is, however, well poised to manage and mitigate these risks.

**14. STEPS TAKEN TO MITIGATE RISKS**

OOL is planning to upgrade its existing plant through expansion and diversification on the basis of latest technology and human expertise. The objectives are:

- a) Ability to rapidly commercialize new expanded and diversified capabilities.
- b) Access to new opportunities through long-standing strategic partnerships.

**15. OTHER RISKS AND KEY MANAGEMENT INITIATIVES :**

**a) Industry risk management:**

Indian Sugar Companies are prone to induced cyclicality, with higher cane prices in spite of the falling sugar realization which are adversely affecting the profitability. OOL operates in an industry where demand & supply is restricted due to seasonality of operations & Government Policies, Administered Cane Prices which may jeopardize future growth of the medium sized group like ours.

**b) Regulatory Risk:**

The policies of the Government may not be conducive to the growth and development of the Indian Sugar Industry, particularly for a short span of time.

There are various favourable policies expected from the Government in the near future.

**c) Working Capital Risk:**

The sugar sector is working-capital intensive. The continued slump in the Industry may affect the Company's profitability to manage its working capital requirements.

The Company will manage the enhanced requirement of working capital by means of working capital limits by the banks, short-term loan or unsecured loan from the promoters and issue of share capital to the promoters & others.

d) **Business Model Risk:**

The Company's business model may not be effective in a year of sugar down turn.

To mitigate the risk our Company has adopted a diversified model comprising Sugar and furnace to minimize the inherent risk of cyclicity of the sugar business. OOL is exploring the business opportunities through expansions of existing infrastructure and diversification into Co-Gen.

e) **People risk management:**

High quality human resources are vital to the success of our business.

In order to retain talent, the Company promotes a sense of ownership and pride in association with strong HR initiatives, which have helped us keep attrition rates well in control.

f) **Cash flow risk:**

The Company operates in a cyclic growth oriented industry, especially on account of changing Government Policies of administered prices, control/decontrol and cane availability. Hence, it is imperative to efficiently estimate and manage cash flows in this volatile environment. The Company's working capital arrangement is comparatively low against any uneven or seasonal factors. Hence the Company is trying to tie-up additional alternative financing or cost optimization/funding the operations. Besides the Company monitors liquidity on a regular basis.

g) **Security risk management:**

Operations could be disrupted due to natural, political and economic disturbances.

As a part of its 'Disaster Recovery' plan, all related risks have been mapped by the Company and are monitored regularly.

**16. DISCLOSURE:**

During the year under review, the Company has not entered into any transaction of the material nature with its Promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

**17. MANAGEMENT'S RESPONSIBILITY STATEMENT:**

The management is responsible for preparing the Company's financial statements and related information that appears in this annual report. The management believes that these financial statements fairly reflect the form and substance of transactions and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles.

**18. CAUTIONARY STATEMENT:**

Some of the statements in this report that are not historical facts are forward-looking statements. The forward-looking statements include our financial growth projections as well as statements concerning our plans strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. These risks include uncertainties that could cause actual events to differ materially from these forward-looking statements. These risk include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world and other risks not specifically mentioned.

For and on behalf of the Board of Directors  
OSWAL OVERSEAS LIMITED

Place: New Delhi  
Dated: 12/08/2016

Sd/-  
Anoop Kumar Srivastava  
Director  
DIN: 07052640

Sd/-  
Paramjeet Singh  
(Managing Director)  
DIN: 00313352

## ANNEXURE – 3

**INFORMATION AS PER SECTION 134 (3) (m) READ WITH COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016****A. CONSERVATION OF ENERGY:**

The Company has already installed most modern equipments to save and minimize energy consumption. The Company is having three turbo alternative sets of 3 MW each. The entire requirement of power is met through captive generations. The Company has also made standby arrangement of two Diesel Generating Sets.

To achieve maximum conservation of energy, the Company has put up high pressure boilers and matching turbo alternatives and prime movers. The Company is also having electrical motors of appropriate size, continuous centrifugals and batch type centrifugals.

I. ELECTRICITY	Current year 2015-16	Previous Year 2014-15
<b>a) Units Purchased</b>	<b>155616</b>	101647.5
Total Amount (Rs.)	<b>1802939</b>	1294890
Rate per Unit (Rs.)	<b>11.58</b>	12.74
<b>b) Own Generation</b>		
i) Trough Diesel Generator Units	<b>71790</b>	130000
Units Per Litre of diesel oil (Rs.)	<b>2.53</b>	2.65
Cost per Unit (Rs.)	<b>20.07</b>	21.72
ii) Through Turbine (Units)	<b>9229040</b>	3919516
<b>II. CONSUMPTION PER UNIT OF PRODUCT</b>		
i) Electricity (KW / MT)	<b>668.68</b>	664.89
ii) Bagasse (MT / MT)	Own bagasse used and cost not ascertained	Own bagasse used and cost not ascertained

**B. TECHNOLOGY ABSORPTION:**

<b>a) Research &amp; Development</b>	
i) In house research & development has been carried out further for improvement in quality of sugarcane and to increase the area under the sugarcane crop of better quality which will ensure its greater availability resulting into more production and better recovery and higher yield thereby directly reducing the cost of production.	
ii) In house research & development has been carried out further for improvement in quality of sugarcane and to increase the area under the sugarcane crop of better quality which will ensure its greater availability resulting into more production and better recovery and higher yield thereby directly reducing the cost of production.	
iii) The Company is further planning to improve quality of cane & ensure development of cane by providing better cane seed and other various facilities to cane Growers.	NIL
iv) Amount incurred on Research & Development	
<b>b) Technology absorption, adoption and Innovation:</b>	
i) Latest technology has been adopted in the plant to maximize consumption of energy.	NIL
ii) Technology Imported	NIL

**C. FOREIGN EXCHANGE EARNING & OUTGO:**

i) Foreign Exchange Earnings (Rs. In Lakh)	NIL
ii) Foreign Exchange Outgo (Rs. In Lakh)	NIL

For and on behalf of the Board of Directors  
OSWAL OVERSEAS LIMITED

Place: New Delhi  
Dated: 12/08/2016

Sd/-  
Anoop Kumar Srivastava  
Director  
DIN: 07052640

Sd/-  
Paramjeet Singh  
(Managing Director)  
DIN: 00313352

**ANNEXURE – 4****Auditor's Certificate on Corporate Governance**

**To,  
The Members of Oswal Overseas Limited**

We have examined the Compliance conditions of Corporate Governance of Oswal Overseas Limited for the year ended on 31st March, 2016, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges upto 30<sup>th</sup> November, 2015 and as per Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 w.e.f. 1<sup>st</sup> December, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our responsibility has been limited to procedures and implementation 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement (erstwhile) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Chandigarh  
Date: 12/08/2016**

**For Kansal Singla & Associates  
Chartered Accountants  
Sd/-  
CA. SURINDER KUMAR  
Partner  
Membership No. 070405  
Firm Reg. No. 003897N**

**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. Corporate governance requires everyone to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources optimally with the sound & prudent ethical standard. The Company recognizes that good corporate governance is a continuous exercise.

Adherence to transparency, accountability, fairness and ethical standard are integral part of the company's function. Your Company's structure, business dealings, administration and disclosure practices have aligned to good corporate governance philosophy. Your Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company aims to increase and sustain its corporate value through growth and innovation.

The Company believes that transparency, empowerment, accountability and integrity are the fundamental principles of sound Corporate Governance. The cardinal principles such as accountability, independence, trust, responsibility, transparency and timely disclosures etc. serve as a means of implementing, the philosophy of Corporate Governance.

**Implementation Modules:**

- (i) The accountability of the Board of Directors to the Company and its stakeholders.
- (ii) Strategic guidance and effective monitoring by the Board of Directors.
- (iii) Timely and accurate Disclosures of relevant information.
- (iv) Compliance of the conditions of Corporate Governance & its full disclosures.

**2. BOARD OF DIRECTORS OF THE COMPANY:****SIZE AND COMPOSITION OF THE BOARD**

The Company's policy is to maintain optimum combination of Independent, executive and non-executive Directors to maintains its independence and separates its function of governance and management. Listing Regulation mandate that for a company with a executive chairman at least half of the Board should be Independent Directors. On March, 2016 our Board consists of 5 members, one of whom is executive, one is non-executive, while the remaining three are independent directors, consisting 60% of the Board Strength – more than the requirement of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. One out of five Board members or 20% of the Board is woman. All Board members (100%) are Indians.

**CHAIRMAN OF THE BOARD**

Mr. Paramjeet Singh was appointed as Managing Director as well as the chairman of the Board of the company w.e.f. 31.03.2015 for a period of 5 years.

**ROLE OF BOARD OF DIRECTOR**

The primary role of the board is that trusteeship to protect and enhance share value through strategic direction to the company. As Trustee, the board has fiduciary responsibility to ensure that the company has clear goals aligned to shareholders value and its growth. The Board exercises its duties with care, skills and diligence and exercise independent judgment.

**INDEPENDENT DIRECTOR**

The Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 defines an "independent director" as a person who is not a promoter or employee or one of the key managerial personal of the company or its subsidiaries. The Laws also state the person should not have a material pecuniary relationship or transaction with the company or its subsidiaries apart from receiving remuneration as an independent director. The Company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on March 30, 2016, inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**BOARD MEMBERSHIP CRITERIA**

The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills, and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualification, integrity, expertise and experience for the position.

The age limit for a Managing Director, executive Director and Independent Director is 70 years. A Director's term may be extended beyond the age of 70 years with shareholders approval by passing a special resolution based on the explanatory statement annexed to the Notice for such motion indicating the justification for extension of appointment beyond 70 years.

**SELECTION OF NEW DIRECTOR**

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the Nomination and Remuneration Committee. The Nomination and Remuneration committee makes recommendations to the Board on the induction of new Directors.

**MEMBERSHIP TERM**

The Companies Act, 2013 mandates the retirement of two-third of the non-independent directors (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment upon completion of their term. An independent director shall hold office for a term of up to 5 consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

**REMUNERATION PAID TO DIRECTORS**

No remuneration was paid to Executive & Non- Executive Directors for the year ended 31<sup>st</sup> March 2015.

**3. BOARD MEETING****SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETING**

The Company Secretary draft the agenda for each meeting, along with notes on agenda, in consultation with Managing Director of the Company, and distributes in advance to the directors. Every Board member can suggest the inclusion of the additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on agenda and also on the occasion of the AGM. Additional meetings are held when necessary. During the financial year 2014-15, 12 (Twelve) meetings of the Board of Directors were held on the following dates -

1. 30/05/2015, 2. 13/08/2015, 3. 08/09/2015, 4. 05/11/2015, 5. 11/01/2016, 6. 15/01/2016, 7. 21/01/2016, 8. 30/01/2016 , 9. 11/02/2016, 10. 15/02/2016, 11. 21/02/2016, 12. 30/03/2016.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting, Directorship in other Companies, Committee position held by them and their categories are given below:

Name & Designation of the Directors	Category	Attendance at last Annual General Meeting held on 28.09.2015 and Board Meeting held during the year	% of attendance in Board Meeting	No. of Directorships in other companies (excluding foreign Companies & Pvt. Ltd. Companies)	Committee (including Oswal Overseas Ltd.) Positions held	
					Chairman	Member
Mr. Paramjeet Singh (Managing Director)	Executive/ Non-Independent	Yes/12	100	2	0	0
Mr. Harihar Nath Sharma (Independent Director)	Non-Executive/ Independent	No/12	100	1	0	0
Ms. Anjul Agarwal (Independent Director)	Non-Executive/ Independent	No/12	100	Nil	0	3
Mr. Rajinder Pal Singh* (Independent Director)	Non-Executive/ Independent	NA/5	100	Nil	3	0
Mr. Anoop Kumar Srivastava (Director)	Non-Executive/ Non-Independent	Yes/12	100	Nil	0	3

\*appointed on 30.01.2016

Notes:

1. Committee positions of only 3 committees namely Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee have been considered.
2. Number of Shares held by non- executive Directors is tabulated below:

Sr. No.	Name of Non- Executive Directors	No. of Shares held
1.	Mr. Harihar Nath Sharma	NIL
2.	Ms. Anjul Agarwal	NIL
3.	Mr. Anoop Kumar Srivastava	NIL
4.	Mr. Rajinder Pal Singh	NIL

**3. BOARD COMMITTEES**

Currently the Board has three committee viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of reference/role of the Committees are taken by the Board of Directors. The chairman of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the entire Board for approval. The quorum for the meetings is either two members or one-third of the total number of members of the committee, whichever is higher.

**(i) AUDIT COMMITTEE:**

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 at a board meeting held on 30.01.2016.

**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II part C of the Listing Regulations and Section 177 of Companies Act, 2013.

**Statutory audit, internal audit, reporting and other aspects**

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial information.
- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

**Audit & other duties**

- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ii. Discussion with internal auditors of any significant findings and follow up there on.
- iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- v. To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

Four Audit Committee meetings were held during the year and the gap between two meetings never exceeded one hundred and twenty days. The dates on which such meetings were held are as follows:

1. 28<sup>th</sup> May, 2015
2. 13<sup>th</sup> August, 2015
3. 5<sup>th</sup> November, 2015
4. 11<sup>th</sup> February, 2016

As on 31.03.2016 the Composition of Audit Committee and attendance of each director during the meetings held in financial year 2015-16 are given below:

Name of the Members	Status	Category	No of Meetings Attended during the year 2016-16
Mr. Rajinder Pal Singh (Inducted from 30.01.2016)	Chairman	Non Executive & Independent Director	1
Ms. Anjul Agarwal	Member	Non Executive & Independent Director	4
Mr. Anoop Kumar Srivastva	Member	Non Executive & Non-Independent Director	4

**(ii) Nomination and Remuneration Committee:**

The remuneration committee was reconstituted in accordance with the provisions of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 at a board meeting held on 30.01.2016.

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

Although no remuneration is paid to any director at present the company retains the option to do so in future. As and when it is done it shall be revealed in the report.

Two Nomination and Remuneration Committee meetings were held during the year as and when required. The dates on which such meetings were held are as follows:

1. 8<sup>th</sup> September, 2015
2. 30<sup>th</sup> January, 2016

Mr. Rajinder Pal Singh who was inducted into the committee on 30<sup>th</sup> January, 2016 after their appointment approved in the Board Meeting, in place of Mr. Hari Har Nath Sharma, who ceased to be the member of the committee on the same date. The details of the composition and attendance of the directors (members) of the Nomination and Remuneration Committee are as under:

Name	Status	Category	No of Meetings Attended during the year 2015-16
Mr. Rajinder Pal Singh (Inducted from 30.01.2016)	Chairman	Non Executive & Independent Director	NA
Ms. Anjul Agarwal	Member	Non Executive & Independent Director	2
Mr. Anoop Kumar Srivastava	Member	Non Executive & Non Independent Director	2

**(iii) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was reconstituted in accordance with the provisions of Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 at a board meeting held on 30.01.2016.

The Committee performs following functions:

- Resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividend.
- Transfer/Transmission of shares.
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialization.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of company's Registrar & Transfer Agent.

The Stakeholders Relationship Committee comprises of Mr. Rajinder Pal Singh (Inducted from 30.01.2016) as Chairman, Mr. Anoop Kumar Srivastava as member and Ms. Anjul Agarwal as member.

During, the financial year 2015-16, no meeting of the Stakeholders Relationship Committee was held.

No complaint was received by any member during the financial year.

The Company Secretary of the Company had been designated as the Compliance Officer pursuant to the provisions of Regulation 6 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**4. FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

**Criteria of selection of Non Executive Directors**

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - ✓ Qualification, expertise and experience of the Directors in their respective fields;
  - ✓ Personal, Professional or business standing;
  - ✓ Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**5. MANAGING DIRECTOR & WHOLE TIME DIRECTOR - CRITERIA FOR SELECTION / APPOINTMENT**

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**6. DISCLOSURES:**

1. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have the potential conflict with the interest of the Company at large:-

NIL

The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. [www.oswaloverseasltd.com](http://www.oswaloverseasltd.com).

2. Details of non-compliance by the Company, penalties, structure imposed by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years:-

No

3. Your company has adopted whistle blower policy approved by the board of Director on 28.05.2014, which has been uploaded on the Company's website i.e. [www.oswaloverseasltd.com](http://www.oswaloverseasltd.com). It has affirmed by the company that no personal has been denied access to the audit committee.
4. The Company has made all the mandatory compliance in accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**7. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

Your company has complied with all mandatory requirements of the Listing Regulations and the status of compliance with non-mandatory requirements of SEBI Listing Regulations are as detailed hereunder:

- i. Separate posts of chairperson and Chief Executive Officer.
- ii. The internal auditor report directly to the Audit Committee.

**8. MEANS OF COMMUNICATION:**

The Company has promptly reported all material information including declaration of quarterly financial results to Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's corporate website [www.oswaloverseasltd.com](http://www.oswaloverseasltd.com). The quarterly, half yearly and annual financial results and other statutory information were generally communicated to the shareholders by way of an advertisement in a English newspaper viz. 'Financial Express or Business Standard' and in a vernacular language newspaper viz. 'Hari Bhoomi or Business Standard (Hindi)' as per requirements of the Listing Regulations. The financial and other information are filed by the Company on electronic platforms of BSE.

**9. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES):**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online Redressal of all the shareholders complaints. The company is in compliance with the SCORES.

**10. GENERAL BODY MEETINGS**

Location and time for last three Annual General Meetings are as follows:

Year	Venue	Date	Time
2013	72, Ground Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025	30 <sup>th</sup> October 2013	12.30 p.m
2014	72, Ground Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025	29 <sup>th</sup> September, 2014	12.30 p.m
2015	72, Ground Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025	28 <sup>th</sup> September, 2015	12.30 p.m

**Details of Special Resolution(s) passed in previous three Annual General Meetings:**

Sr. No.	Year	Section of Companies Act, 2013	Purpose
1.	2013	NA	NIL
2.	2014	196,197	1. Re-appointment of Mr. Manjeet Singh as Managing Director of the company for a period of one year w.e.f 12.08.2014.
3.	2015	196-197 42(3) 61 12 & 13 42, 43 & 55 180(1)(c)	1. Appointment of Mr. Paramjeet Singh as Managing Director of the company for a period of 5 years w.e.f. 31.03.2015. 2. To abandoned or withdraw the resolution, passed by the members in their meeting held on 3 <sup>rd</sup> November, 2014, for issue of preference share of Rs. 3 crore. 3. To reclassification of authorised equity shares capital into preference share to the extent of Rs. 10 Crore divided into 1 crore preference share of Rs. 10/- each. 4. To adopt the new set of Memorandum of Association and Article of Association as per companies Act, 2013. 5. To approve the issue of sixty lakhs Non-convertible Redeemable Preference share of Rs. 10/- each at par. 6. To borrow the money to the extent of Rs. 350 crore.

**11. GENERAL SHAREHOLDERS INFORMATION:**

- B. **32<sup>nd</sup> Annual General Meeting:** 29<sup>th</sup> September, 2016 at 12:30 AM
- C. **Financial Year:** 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016
- D. **Book Closure:** 23<sup>rd</sup> September, 2016 to 29<sup>th</sup> September, 2016
- E. **Dividend Payment Date:** As no dividend for the year 2015-16 was recommended by the Board of Directors, hence no disclosures for the same is required.
- F. **Listing on Stock Exchange and Stock Codes**  
The Company's equity shares are listed with Bombay Stock Exchange Ltd. (Code 531065), The Company has paid annual listing fee due to the Bombay Stock Exchanges for the Financial Year 2016-17.
- G. **Market Price Data and Performance in Comparison to Index:**

The high & low of the share price of the Company during each month in the last financial year at Bombay Stock Exchange Ltd., is not available as the shares are not being actively traded (pertains to "T" segment) on those Stock Exchanges. As per Circular dated June 17, 2011 (CIR/ISD/3/2011) the Company has already achieved 100% of Promoter's and Promoter group's shareholding in dematerialized form.

**H. Registrar and Transfer Agent:**

BEETAL Financial & Computer Services (P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre  
Near Dada Harsukh Das Mandir,  
New Delhi-110062  
Tel. 011-29961281, Fax. 011-29961284  
Website: [www.Beetalfinancial.com](http://www.Beetalfinancial.com)

**I. Investor correspondence may also be addressed to:**

**Mr. Lalit Kumar**  
Company Secretary & Compliance Officer  
Oswal Overseas Limited  
72, Ground Floor, Taimoor Nagar,  
Opposite New Friends Colony,  
New Delhi – 110065  
Phone no. 011-41064256,  
e-mail id – [cs@oswaloverseasltd.com](mailto:cs@oswaloverseasltd.com)

**J. Share Transfer System:**

Presently the share transfers which are received in physical form, if not disputed and accompanied with complete documents, are normally effected within a maximum period of 30 days from the date of receipt and demat requests are confirmed within a maximum period of 15 days. The company provides investor or depository services through its Registrar & Transfer Agent (RTA).

**K. Distribution of Shareholding:**

The Distribution of Shareholding as on March 31, 2016 was as follows:

No. of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Upto 5000	262	79.64	48200	0.74
5001-10000	22	6.69	20450	0.32
10001-20000	5	1.52	6050	0.09
20001-30000	2	0.61	5500	0.08
30001-40000	6	1.82	23750	0.37
40001-50000	0	0	0	0
50001-100000	3	0.91	23600	0.37
100001 and above	29	8.81	6333500	98.02
<b>Total</b>	<b>329</b>	<b>100</b>	<b>6461050</b>	<b>100</b>
<b>Held by</b>	<b>No. of Shares</b>		<b>% holding</b>	
<b>Promoters</b>				
-Individual	4838950		74.89	
-Private Corporate Bodies	0		0	
<b>Indian Public</b>				
-Individual	1621300		25.10	
-Private Corporate Bodies	800		0.01	
<b>Total</b>	<b>6461050</b>		<b>100.00</b>	

**L. Dematerialization of Shares and Liquidity**

The shares of the Company are available for trading in depository systems of both NSDL & CDSL with ISIN INE906K01019. As on March 31, 2016, 75.2 % (48,59,750 equity shares) of the share capital of the Company had been dematerialized and 24.78% (16,01,300 equity shares) of the share capital of the Company had been digitalized.

**M. 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 Convertible Instruments, which has any likely impact on equity during the year.

**N. Unclaimed Dividends:**

Since the Company had not declared dividend in the preceding years due to accumulated losses & its adjustment in the current year, no unclaimed dividend was required to be transferred to Investors Grievance Fund under Section 205C of the Companies Act, 1956.

**O. Plant Location:**

The Company is engaged in the manufacturing of Sugar. The business of the Company is being operated from the following sites:

Village - Aurangabad  
Tehsil - Nawab Ganj,

District – Bareilly (U.P) – 262407  
Phone no. 05825-226551, Fax no. 05825-226753  
E-mail id: [info@oswaloverseasltd.com](mailto:info@oswaloverseasltd.com)

**P. Registered Office & Address for Correspondence:**

72, Ground Floor,  
Taimoor Nagar,  
New Delhi-110025  
Phone no. 011-26332465, 41065256, Fax no. 011-26322664  
Email-id: [cs@oswaloverseasltd.com](mailto:cs@oswaloverseasltd.com)

**Q. Code of Conduct:**

The Company had adopted a Code of Conduct for its Board of Directors & Senior Management Personnel and the same has been posted on the Company's Website.

**12. RISK MANAGEMENT**

The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

**13. RECONCILIATION OF SHARE CAPITAL AUDIT:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSIL and the total number of shares in physical form.

**14. CORPORATE IDENTITY NUMBER (CIN):**

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L74899DL1984PLC018268.

**15. CEO / CFO CERTIFICATION:**

As required by the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate from Chief Executive Officer and Chief Financial Officer is provided in the Annual Report.

**16. DECLARATION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT:**

Pursuant to the Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I Paramjeet Singh, Managing Director of the Company, declares hereby that all the Board Members & Senior Management of the Company, have affirmed their compliance with the Code of Conduct during the year ended 31st March 2016.

**For and on behalf of the Board of Directors  
OSWAL OVERSEAS LIMITED**

**Place: New Delhi  
Dated: 12/08/2016**

**Sd/-  
Anoop Kumar Srivastava  
Director  
DIN: 07052640**

**Sd/-  
Paramjeet Singh  
(Managing Director)  
DIN: 00313352**

**CERTIFICATE OF CHIEF FINANCIAL OFFICER**

To,  
The Board of Directors,  
Oswal Overseas Limited,

I, Aijaz Ahmad, Chief Financial Officer of Oswal Overseas Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31<sup>st</sup> March 2016 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omits any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2016 which, are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors' and the Audit Committee those deficiencies in the design or operations of such internal controls of which, I am aware and the steps taken and/ or proposed to be taken to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee:
  - a) There have been no significant changes in the internal control over financial reporting during this year.
  - b) There have been no significant changes in the accounting policies during the year.
  - c) To the best of our knowledge and belief, there is no instance of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: New Delhi  
Dated: 30.05.2016

Sd/-  
Aijaz Ahmad  
Chief Financial Officer

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**CERTIFICATE OF CHIEF EXECUTIVE OFFICER**

To,  
The Board of Directors,  
Oswal Overseas Limited,

I, Kiran Pal Singh, Chief Executive Officer of Oswal Overseas Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31<sup>st</sup> March 2016 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omits any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2016 which, are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors' and the Audit Committee those deficiencies in the design or operations of such internal controls of which, I am aware and the steps taken and/ or proposed to be taken to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee:
  - a) There have been no significant changes in the internal control over financial reporting during this year.
  - b) There have been no significant changes in the accounting policies during the year.
  - c) To the best of our knowledge and belief, there is no instance of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: New Delhi  
Dated: 30.05.2016

Sd/-  
Kiran Pal Singh  
Chief Executive Officer

**Independent Auditor's Report**

To  
The Members of Oswal Overseas Limited  
New Delhi

**A) Report on the Financial Statements**

We have audited the accompanying financial statements of Oswal Overseas Limited, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended along with a summary of significant accounting policies and other explanatory information.

**B) Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (The Act) read with the Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**C) Auditor's Responsibility**

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

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

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

**D) Opinion**

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the Loss for the period ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**E) Report on other Legal and Regulatory requirements.**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (3) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of The Act.
  - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of Section 164 of The Act.

For KANSAL SINGLA & ASSOCIATES,  
Chartered Accountants

Sd/-  
(CA Surinder Kumar Arora)  
PARTNER  
M.No.070405  
FRN 003897N

Place: Chandigarh  
Date: 30.05.2016

**The Annexure referred to in paragraph E-1 of the Our Report of even date to the members of OSWAL OVERSEAS LTD. on the accounts of the Company for the period ended 31<sup>st</sup> March, 2016.**

On the basis of such checks as we considered appropriate during the course of our audit and according to the information and explanations given to us, we report that:

**1. IN RESPECT OF ITS FIXED ASSETS:**

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, the original documents of which are in the custody of bankers.

**2. IN RESPECT OF INVENTORIES:**

- The inventories have been physically verified at the end of the year by the management. In our opinion, the frequency of verification is reasonable.
- The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records. However minor discrepancies have been found in stores and spares and the same has been adjusted in consumption of the same.

**3. IN RESPECT OF LOANS GIVEN:**

According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 189 of the Act.

**4. IN RESPECT OF COMPLAINT OF SECTION 185 & 186 OF COMPANIES, ACT**

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

**5. IN RESPECT OF DEPOSITS FROM PUBLIC:**

According to the information and explanations given to us, the Company has not accepted any deposits from the public.

**6. COST ACCOUNTING RECORDS:**

We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that the prescribed accounts and records have been made and maintained. However, we have not vouched for the correctness of the cost records maintained by the Company.

**7. IN RESPECT OF STATUTORY DUES:**

- During the year the Company has deposited, with certain delays, the undisputed statutory dues with the appropriate authorities such as Gratuity, EPF, TCS, TDS, Excise Duty, Service Tax and CST. However, as at 31<sup>st</sup> March 2016, there are no such dues outstanding for a period of more than six months from the date they became payable.
- The following are disputed statutory dues which have not been deposited by the Company as at 31<sup>st</sup> March 2016:

Name of the Statute	Nature of Dues	Total demand (Rs. in lakhs)	Paid under protest (Rs. in lakhs)	Balance amount (Rs. in lakhs)	Financial year to which relates	Forum where dispute is pending
U.P. sales tax	Entry Tax	10.00	0.41	9.59	2000-01	Hon'ble High Court, Allahabad
U.P. sales tax	Entry Tax	60.04	-	60.04	2001-02	Hon'ble High Court, Allahabad
U.P. sales tax	Entry Tax	35.05	17.53	17.52	2002-03	Hon'ble Supreme Court
U.P. sales tax	Entry Tax	7.67	0	7.67	2003-04	Add. Commissioner II(A), Sales Tax, Bareilly
U.P. sales tax	Entry Tax	63.82	0	63.82	2004-05	Add. Commissioner II(A), Sales Tax, Bareilly
U.P. sales tax	Entry Tax	98.99	0	98.99	2005-06	Add. Commissioner II(A), Sales Tax, Bareilly
U.P. sales tax	Entry Tax	76.17	0	76.17	2006-07	Add. Commissioner II(A), Sales Tax, Bareilly
U.P. sales tax	Entry Tax	40.80	2.09	38.71	2007-08	Add. Commissioner II(A), Sales Tax, Bareilly
U.P. sales tax	Entry Tax	25.59	7.47	18.12	2008-09	Add. Commissioner II(A), Sales Tax, Bareilly
U.P. sales tax	Entry Tax	9.77	1.91	7.86	2009-10	Add. Commissioner II(A), Sales

						Tax, Bareilly
U.P. sales tax	Entry Tax	66.92	6.69	60.23	2012-13	Add. Commissioner II(A)
U.P. sales tax	Entry Tax	44.35	4.43	39.91	2013-14	Add. Commissioner II(A)
<b>Entry Tax (Total)</b>		<b>539.17</b>	<b>40.53</b>	<b>498.64</b>		
U.P. sales tax	Sales tax	<b>22.63</b>	<b>2.22</b>	<b>20.41</b>	<b>2005-06 to 2012-13</b>	Various Appellate authorities
Excise Department	CENVAT	<b>1.76</b>	<b>1.76</b>	-	<b>2007-08 to 2009-10</b>	Local Excise authorities

(c) As per information and explanations given to us, the Company was not required to transfer any amount in Investor Education and Protection Fund.

#### 8. REPAYMENT OF DUES:

##### a) Banks & Financial Institutions dues:

- Based on our audit procedures and according to the information and explanations given to us, the Company has paid dues to banks with certain delays.
- During the year, CC account of Company with State Bank of Patiala amounting to Rs. 263.06 lakhs was declared NPA as the stocks was seized and sold by local authorities for making payment to sugar cane farmers. The Company has not provided for interest after it is declared NPA by the Bank.

##### b) Government dues:

As at 31st March 2016, an amount of Rs. 159.00 Lakhs was overdue against the term loan from Sugar Development Fund granted by Central Government.

#### 9. END-USE-OF BORROWINGS:

As per the information and explanations given to us, we report that during the year the Company has not raised any term loan. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, this clause of paragraph 3 (ix) of the Order is not applicable.

#### 10. FRAUDS:

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

#### 11. MANAGERIAL REMUNERATION:

According to the information and explanations given to us, the Company does not pay any managerial remuneration. Accordingly, the provisions of Section 197 are not applicable to the Company.

#### 12. NIDHI COMPANY

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

#### 13. TRANSACTIONS WITH RELATED PARTIES

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties have not been made during the year other than the Directors.

#### 14. PREFERENTIAL ALLOTMENT

During the year the Company has made Preferential Allotment of 60,00,000 Preference Shares of Rs. 10/- each at Par.

#### 15. NON-CASH TRANSACTIONS

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

#### 16. SECTION 45-IA

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For KANSAL SINGLA & ASSOCIATES,  
Chartered Accountants

Sd/-  
(CA Surinder Kumar Arora)  
PARTNER  
M.No.070405  
FRN 003897N

Place: Chandigarh  
Date: 30.05.2016

**OSWAL OVERSEAS LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH 2016**

PARTICULARS	Notes		31.03.2016(Rs.)		31.03.2015(Rs.)
<b><u>EQUITY AND LIABILITIES</u></b>					
<b><u>A) Shareholders funds</u></b>					
Share Capital	2	124,610,500		64,610,500	
Reserves and surplus	3	(187,046,317)		(121,797,210)	
			<b>(62,435,817)</b>		<b>(57,186,710)</b>
<b><u>B) Non-current liabilities</u></b>					
Long-term borrowings	4	147,235,767		218,237,172	
Other Long term liabilities	5	2,074,092		2,324,092	
Long-term provisions	6	811,466		1,178,016	
			<b>150,121,325</b>		<b>221,739,280</b>
<b><u>C) Current liabilities</u></b>					
Short-terms borrowings	7	76,801,472		128,581,750	
Trade payables	8	228,514,547		287,412,741	
Other current liabilities	9	75,212,534		30,243,361	
Short-terms provisions	10	3,639,675		8,318,114	
			<b>384,168,228</b>		<b>454,555,966</b>
<b>TOTALS</b>			<b>471,853,737</b>		<b>619,108,536</b>
<b><u>ASSETS</u></b>					
<b><u>A) Non-current assets</u></b>					
Fixed Assets					
-Tangible assets	11	269,037,893		280,945,326	
-Capital work-in-progress		3,371,306		2,759,075	
Long-term loans and advances	12	5,371,987		4,604,557	
Other Non-current assets	13	11,130,629		11,130,629	
			<b>288,911,815</b>		<b>299,439,587</b>
<b><u>B) Current assets</u></b>					
Inventories	14	65,130,914		186,414,241	
Trade receivables	15	13,867,805		17,128,181	
Cash and bank balances	16	17,832,046		8,751,010	
Short-term loans and advances	17	77,269,478		80,888,206	
Other current assets	18	8,841,679		26,487,311	
			<b>182,941,921</b>		<b>319,668,949</b>
<b>TOTALS</b>			<b>471,853,737</b>		<b>619,108,536</b>
Significant Accounting Policies	1				
Notes to Accounts	2 to 27				

The Notes are an integral part of the financial statements.

(AIJAZ AHMAD)  
CFO

(LALIT KUMAR)  
COMPANY SECRETARY

(PARAMJEET SINGH)  
MANAGING DIRECTOR

(ANOOP KUMAR SHRIVASTAV)  
DIRECTOR

Auditor's Report  
In terms of our separate report of even date annexed  
For KANSAL SINGLA & ASSOCIATES  
CHARTERED ACCOUNTANTS

Place: CHANDIGARH  
Date : 30.05.2016

(CA Surinder Kumar Arora)  
Partner  
M. No. 070405  
FRN No. 003897N

**OSWAL OVERSEAS LIMITED**

**Statement of Profit and loss for the year ended 31st March 2016**

Particulars	Notes		31.03.2016(Rs.)		31.03.2015(Rs.)
<b>Income</b>					
Revenue from operations(gross)	19	597,259,101		116,052,538	
Less:excise duty		(33,008,190)		(4,889,050)	
Revenue from operations(net)			<b>564,250,912</b>		<b>111,163,488</b>
Other income	20		<b>4,037,136</b>		<b>4,322,506</b>
<b>Total revenue (I)</b>			<b>568,288,047</b>		<b>115,485,994</b>
<b>Expenses</b>					
Cost of materials consumed	21	416,463,880		200,599,962	
Changes in inventories of finished goods,work-in progress and stock-in -Trade	22	120,047,872		(68,655,179)	
Excise duty related to the difference between closing stock and opening stock		(4,678,439)		4,115,028	
Employee benefits expenses	23	17,876,923		13,568,469	
Finance costs	24	26,707,060		25,128,248	
Depreciation and amortization expense	25	15,137,539		16,569,647	
Other expenses	26	41,828,392		28,103,226	
<b>Total expenses (II)</b>			<b>633,383,228</b>		<b>219,429,402</b>
<b>Loss before extraordinary items (I-II)</b>			<b>(65,095,180)</b>		<b>(103,943,408)</b>
Less:Prior Peiod Expenses		153,927		285,882	
Add: Prior Period Income		-	<b>(153,927)</b>	-	<b>(285,882)</b>
<b>Loss before tax</b>			<b>(65,249,107)</b>		<b>(104,229,290)</b>
<b>Tax expenses</b>					
Income Tax Previous Years		-		-	
Current tax		-		-	
Deferred tax		-		-	
<b>Less: Total tax expenses</b>			<b>-</b>		<b>-</b>
<b>Pofit/(loss) after tax from discontinuing operations (B)</b>			<b>(65,249,107)</b>		<b>(104,229,290)</b>
<b>Loss for the year</b>			<b>(65,249,107)</b>		<b>(104,229,290)</b>
<b>Basic/Diluted EPS (Face Value- Rs.10/-)</b>			<b>(10.10)</b>		<b>(16.13)</b>
Significant Accounting Policies	1				
Notes to Accounts	2 to 27				

*The Notes are an integral part of the financial statements.*

(AIJAZ AHMAD)  
CFO

(LALIT KUMAR)  
COMPANY SECRETARY

(PARAMJEET SINGH)  
MANAGING DIRECTOR

(ANOOP KUMAR SHRIVASTAV)  
DIRECTOR

In terms of our separate report of even date annexed  
For KANSAL SINGLA & ASSOCIATES  
CHARTERED ACCOUNTANTS

Place: CHANDIGARH  
Date: 30.05.2016

(CA Surinder Kumar Arora)  
Partner  
M. No. 070405  
FRN No. 003897N

## OSWAL OVERSEAS LIMITED

CASH FLOW STATEMENT

(Rs. In Lacs)

PARTICULARS		31.03.2016	31.03.2015
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	(650.95)	(1,039.43)
	Adjustments for:		
	Add: Depreciation	151.38	165.70
	Prior Period Expenses	(1.54)	(2.86)
	Interest Paid	258.96	241.81
	Profit/loss on Sale of Fixed assets	-	(1.70)
	Less: Other income received	(2.98)	(3.31)
	Prior period income	-	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(245.13)	(633.18)
	Change in Trade and other receivables	32.60	422.55
	Change in Inventories	1,212.83	(683.69)
	Change in other current liabilities	449.69	-
	Change in short term provisions	(46.78)	-
	Change in short term loans and advances	36.19	-
	Change in short term borrowings	(517.80)	-
	Change in long term provisions	(3.67)	-
	Change in long term loans & advances	(7.67)	-
	Change in other current assets	176.46	-
	Change in Trade Payables	(588.98)	(754.72)
	<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>497.73</b>	<b>(1,649.04)</b>
	<b>NET CASH FROM/USED IN OPERATING ACTIVITIES</b>	<b>497.73</b>	<b>(1,649.04)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(32.30)	(0.07)
	Sale of Fixed Assets(net)	-	7.25
	Increase in Capital work in progress	(6.12)	-
	Add: Interest Received	2.98	3.31
	<b>NET CASH FROM/USED IN INVESTING ACTIVITIES</b>	<b>(35.45)</b>	<b>3.88</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of preference shares	600.00	-
	Proceeds/ (Repayment) of Long Term borrowings	(710.01)	1,556.94
	Proceeds/ ( Payment) of other long term liabilities	(2.50)	(3.38)
	Interest paid	(258.96)	(241.81)
	<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>(371.47)</b>	<b>1,311.75</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>90.81</b>	<b>(333.41)</b>
	<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING</b>	<b>87.51</b>	<b>420.92</b>
	<b>CASH AND CASH EQUIVALENTS AS AT END</b>	<b>178.32</b>	<b>87.51</b>

(AIJAZ AHMAD)  
CFO(LALIT KUMAR)  
COMPANY SECRETARY(PARAMJEET SINGH)  
MANAGING DIRECTOR(ANOOP KUMAR SHRIVASTAV)  
DIRECTORIn terms of our separate report of even date annexed  
For KANSAL SINGLA & ASSOCIATES  
CHARTERED ACCOUNTANTSPlace: CHANDIGARH  
Date : 30.05.2016(CA Surinder Kumar Arora)  
Partner  
M. No. 070405  
FRN No. 003897N

**NOTE 1****SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS AS AT 31<sup>ST</sup> MARCH, 2016****1. BASIS OF PREPERATION OF FINANCIAL STATEMENNTS**

- a) The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.
- b) The Company generally follows mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis.

**2. FIXED ASSETS**

The fixed assets are stated at cost net of Excise Duty, less accumulated depreciation and impairment loss if any. All costs directly related to the acquisition and installation of fixed assets are capitalised and added to the respective assets. Borrowing Costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use. Fixed assets and stores are booked net of Excise Duty to avail the benefit of CENVAT. Un-availed CENVAT is shown under the head "CENVAT Recoverable" under Loans and Advances.

**3. INVENTORIES**

Inventories except by-products are valued at lower of cost or net realizable value. By-Products are valued at net realizable value. For valuation of finished goods, appropriate overheads are considered. Closing Stock is inclusive of Excise duty. Store inventory is valued at weighted average cost method.

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand & short term investments.

**5. DEPRECIATION**

Depreciation is provided on SLM on all the fixed assets on the basis of life of the assets as prescribed in Schedule II of the Companies Act, 2013.

**6. REVENUE RECOGNITION**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

- (a) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.
- (b) Other income is accounted for on accrual basis as and when the right to receive arises.

**7. FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currency are normally recorded at the exchange rates prevailing at the time of the transactions. Monetary items denominated in foreign currencies at the year end are translated at the year end exchange rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss Account.

**8. BORROWING COST**

Borrowing Costs that are attributable to the acquisition, Construction or Production of qualifying assets are capitalized as part of cost of such asset till such asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other Borrowing Costs are recognized as an expense in the period in which they are incurred.

**9. TAX EXPENSE**

Tax expenses comprises of current and deferred income tax and wealth tax. Current income tax is calculated at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

**10. DEFERRED TAX**

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax, assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against further taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that further taxable income will be available against which such deferred tax assets can be realized.

**11. EMPLOYEES BENEFITS**

Provision for Leave encashment liability and Provision for Gratuity is made on Actuarial valuation basis. Contribution to provident fund is made in accordance with the provisions of the Employees Provident Fund Act, 1952.

**12. EARNING PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividend & taxes) by the weighted average number of equity shares outstanding during the year. Equity shares that are partly paid up are treated as a fraction of an equity share to the extent they are entitled to participate in dividends. The weighted average numbers of equity shares outstanding during the year are adjusted for events such as bonus issue, bonus element in a right issue to the existing shareholders, share split and consolidation of shares.

For the purpose of calculating diluted EPS, the net profit or loss attributable to equity share holders and weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**13. IMPAIRMENT OF ASSETS**

An asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

**14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when an enterprise has

- (1) A present obligation as a result of past events.
- (2) It is probable that an outflow of resources will be required to settle the obligation.
- (3) In respect of which a reliable estimate can be made.

The provisions are determined based on the best estimates required to fulfill the obligation on the balance sheet date. The provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise: or a present obligation that arises from past events but is not recognized.

The Contingent liabilities are not recognized but are disclosed in the notes. The Contingent Assets are neither recognized nor disclosed in financial statements.

**15. INVESTMENTS**

- i) Investments are classified as Long Term and current investments.
- ii) Long Term Investments are carried at cost. Provision for Diminution, if any in the value of each long term investment is made to recognize a decline other than of temporary nature.
- iii) Current Investments are stated at lower of cost or market value and resultant decline, if any, is charged to revenue.

**16. SEGMENT REPORTING**

**(A)** Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting.

- (1) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment sales.
- (2) Expenses that are directly identifiable with/allocable to segment are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segment are included under un-allocable corporate expenditure.
- (3) Income which relates to the company as a whole and not allocable to segments is included in un-allocable corporate income.
- (4) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and liabilities that relate to company as a whole and not allocable to any segment. Un-allocable assets mainly comprise corporate head office assets, investments and tax deposited with the Income Tax authorities. Un-allocable liabilities include mainly unsecured loans and tax payable to Income Tax Authorities.

**(B)** Inter Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of cost of production.

**17. GOVERNMENT GRANTS AND SUBSIDIES**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis with the cost, which it is intended to compensate. Where grant/subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset against which grant/subsidy has been received and further where the grant/subsidy is in the nature of promoters contribution the amount of grant/subsidy is accounted for as a capital reserve.

<b>OSWAL OVERSEAS LIMITED</b>				
<b>NOTE 2 SHARE CAPITAL</b>				
<b>Particulars</b>		<b>31.03.2016 (Rs.)</b>		<b>31.03.2015 (Rs.)</b>
<b>Authorised</b>				
36,000,000 (Previous Year -36,000,000) Equity shares of Rs.10.00 each		360,000,000		360,000,000
<b>Issued Subscribed &amp; Paid up Capital</b>				
64,610,50 (Previous Year - 64,610,50) Equity Shares of Rs.10.00 each fully paid up		64,610,500		64,610,500
60,000,00 (Previous Year - Nil) 0.1% Non-Convertible Redeemable Preference Shares of Rs.10.00 each fully paid up		60,000,000		-
<b>Total</b>		<b>124,610,500</b>		<b>64,610,500</b>
<b>a) Reconciliation of number of shares and amount outstanding as at the beginning and at the end of the year</b>				
<b>(i) Equity Shares</b>				
		<b>As on 31.03.2016</b>		<b>As on 31.03.2015</b>
<b>Particulars</b>		<b>Number</b>	<b>Amount ( in Rs.)</b>	<b>Number</b>
(Equity shares of Rs. 10/- each )			-	-
Shares outstanding at the beginning of the year		6,461,050	64,610,500	6,461,050
Add: Shares issued during the year		-	-	-
<b>Shares outstanding at the end of the year</b>		<b>6,461,050</b>	<b>64,610,500</b>	<b>6,461,050</b>
<b>(ii) Preference Shares</b>				
		<b>As on 31.03.2016</b>		<b>As on 31.03.2015</b>
<b>Particulars</b>		<b>Number</b>	<b>Amount ( in Rs.)</b>	<b>Number</b>
(Preference shares of Rs. 10/- each )		-	-	-
Shares outstanding at the beginning of the year		-	-	-
Add: Shares issued during the year		6,000,000	60,000,000	-
<b>Shares outstanding at the end of the year</b>		<b>6,000,000</b>	<b>60,000,000</b>	<b>-</b>
<b>b)</b>				
<b>(i) Details of shareholders holding more than 5% Equity Shares in the Company</b>				
		<b>As on 31.03.2016</b>		<b>As on 31.03.2015</b>
<b>Sr.no</b>	<b>Name of the shareholder</b>	<b>No. of Share Held</b>	<b>% of shares held</b>	<b>No. of Share Held</b>
1	Shri Paramjeet Singh	1,808,710	28	1,808,710
2	Shri Manjeet Singh	1,739,840	27	1,739,840
3	Shri Surjeet Singh	1,221,650	19	1,221,650
<b>(ii) Details of shareholders holding more than 5% Preference Shares in the Company</b>				
		<b>As on 31.03.2016</b>		<b>As on 31.03.2015</b>
<b>Sr.no</b>	<b>Name of the shareholder</b>	<b>No. of Share Held</b>	<b>% of shares held</b>	<b>No. of Share Held</b>
1	Surjeet Singh HUF	1,000,000	16.67	-
2	Mrs. Jagjeet Kaur	1,000,000	16.67	-
3	Mrs. Gurinder Kaur	1,000,000	16.67	-
4	Paramjeet Singh HUF	1,000,000	16.67	-
5	Mr. Surjeet Singh	1,000,000	16.66	-
6	Mrs. Gulshan Kaur	1,000,000	16.66	-
<b>c) Terms/ rights attached to equity shares</b>				
The Company has class of Equity Share having par value of Rs. 10/- each. Holder of each equity share is entitled to one vote per share.				
During the year Company have allotted 60,00,000 Preference Shares of Rs. 10/- each at Par. Preference Shares would be redeemable within Period of 20 Years from the date of allotment and these shares would carry 0.1% P.a. dividend on Non-Cumulative basis.				
<b>NOTE 3 Reserves and surplus</b>				
<b>Particulars</b>		<b>31.03.2016 (Rs.)</b>		<b>31.03.2015 (Rs.)</b>
Securities premium account		159,010,800		159,010,800

Other Reserves (Molasses Storage Fund)	1,863,705		1,843,330	
Additions during the year	42,630		20,375	
Closing Balance		1,906,335		1,863,705
Surplus /(deficit ) in the statement of profit and loss				
Balance as per last financial statements	(282,671,715)		(178,422,050)	
Loss for the year	(65,249,107)		(104,229,290)	
Less:Appropriations				
- Transfer to Molasses Storage Fund	42,630	(347,963,452)	20,375	(282,671,715)
Net deficit in the statement of profit and loss				
<b>Total</b>		<b>(187,046,317)</b>		<b>(121,797,210)</b>

The Company has transferred Rs. 42630/- (P.Y. Rs. 20375/-) to Molasses Storage Fund to comply with the requirements of Uttar Pradesh Sheera Niyantan Adhiniyam, 1964.

**NOTE 4 Long - term borrowings**

Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
<b>Term loans</b>				
From Bank	79,358,276		78,773,568	
Less: Current maturity	15,858,276	63,500,000	2,573,568	76,200,000
From Bank(WCTL)	48,122,647			
Less: Current maturity	13,122,647	35,000,000		
From Sugar Development Fund	26,541,000		26,541,000	
Less: Current maturity	19,905,750	6,635,250	13,270,500	13,270,500
Vehicle Loans	7,313,081		10,909,868	
Less: Current maturity	3,119,564	4,193,517	4,277,673	6,632,194
Loans and advances from related parties				
- From Directors		32,150,000		116,377,477
Inter-corporate Loans		5,757,000		5,757,000
<b>Total</b>		<b>147,235,767</b>		<b>218,237,172</b>

**A) Term Loans**

1) A Term Loan of Rs.7.62 crores from State Bank of India is secured by first charge on all the fixed assets of the company. It has further been secured by personal guarantee of directors. It is repayable in 36 equal monthly instalments of Rs.21.17 lacs/- each of which first installment starts from October 2016 and the last installment is payable in September 2019.

2) During the year an amount of Rs. 500 lacs has been converted by State Bank of India from CC limit to Working Capital Term Loan(WCTL).

3) The Term Loan from Sugar Development Fund is secured by way of second charge on the fixed assets of the company. It has further been secured by personal guarantee of directors. It is repayable in four annual installments of which first instalment start from october 2014 and the last installment is payable in october 2017. There is a default of Rs. 159.00 Lacs against the loan(including interest).

4) The Vehicle Loans are secured by way of hypothecation of the respective vehicles.

**NOTE 5 Other Long - term Liabilities**

Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Security /received				
- Dealers' Security	1,218,340		1,468,340	
- From Others	855,752	2,074,092	855,752	2,324,092
<b>Total</b>		<b>2,074,092</b>		<b>2,324,092</b>

<b>NOTE 6 Long - term Provisions</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Provision for employee benefits				
- Provision for Leave Encashment		195,164		201,922
- Provision for Gratuity		616,302		976,094
<b>Total</b>		<b>811,466</b>		<b>1,178,016</b>
<b>NOTE 7 Short - term borrowings</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Loans repayable on demand				
- From banks ( Cash credit)				
State Bank of India	50,495,675		101,502,667	
State Bank of Patiala	26,305,797	76,801,472	27,079,083	128,581,750
<b>Total</b>		<b>76,801,472</b>		<b>128,581,750</b>
The Cash credit limits from State Bank Of India are secured by first charge on the current assets and second charge on fixed assets of the company. It has further been secured by personal guarantee of directors.				
<b>NOTE 8 Trade Payables</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
- For Goods	14,756,616		15,918,682	
- For Cane	203,311,364		259,295,895	
- Contractors ( Transport & Misc. )	7,883,409		9,628,062	
- Commission	2,563,159	228,514,547	2,570,102	287,412,741
<b>Total</b>		<b>228,514,547</b>		<b>287,412,741</b>
<b>NOTE 9 Other current liabilities</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
a) Current maturities of long -term debts				
- From Banks	28,980,923		2,573,568	
- From Sugar Development Fund	19,905,750		13,270,500	
- Vehicle loans	3,119,564	52,006,237	4,277,673	20,121,741
b) Other payables				
- Cheques issued but not presented	-		345,172	
- Advance from Customers	1,479,234		3,413,866	
- Expenses Payable	6,755,689		6,202,446	
- Statutory Dues Payable	14,971,375	23,206,298	160,136	10,121,620
<b>Total</b>		<b>75,212,535</b>		<b>30,243,361</b>
<b>NOTE 10 Short - terms provisions</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Provison for excise duty (On Closing Stock)		3,639,675		8,318,114
<b>Total</b>		<b>3,639,675</b>		<b>8,318,114</b>

## Reconciliation of the gross block and net block of Fixed assets at the beginning and at the end of the year

## Note 11. Fixed assets

PARTICULARS	USE FULL LIFE (In Years)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31.03.2015	Additions	Sales/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the Year	Sales/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>(i) Tangible Assets</b>											
Land - Freehold		17,294,941.00	-	-	17,294,941.00	-	-	-	-	17,294,941.00	17,294,941.00
Site Development		12,336,059.00	-	-	12,336,059.00	-	-	-	-	12,336,059.00	12,336,059.00
Factory Building	30	107,401,657.00	-	-	107,401,657.00	59,305,882.00	3,181,837.00	-	62,487,719.00	44,913,938.00	48,095,775.00
Tube Wells	5	472,794.00	10,817.00	-	483,611.00	449,154.00	1,411.00	-	450,565.00	33,046.00	23,640.00
Non Factory Building	60	82,597,821.00	-	-	82,597,821.00	21,313,309.00	1,295,003.00	-	22,608,312.00	59,989,509.00	61,284,512.00
Plant & Machinery	25	487,553,166.00	1,678,291.00	-	489,231,457.00	369,490,975.00	7,207,088.00	-	376,698,063.00	112,533,394.00	118,062,191.00
Plant & Machinery	40	6,354,327.00	-	-	6,354,327.00	3,160,020.00	96,326.00	-	3,256,346.00	3,097,981.00	3,194,307.00
Electric Installation	10	8,645,676.00	-	-	8,645,676.00	8,643,019.00	273.00	-	8,643,292.00	2,384.00	2,657.00
Furniture & Fixture	10	4,344,398.00	38,797.00	-	4,383,195.00	3,952,233.00	143,127.00	-	4,095,360.00	287,835.00	392,165.00
Office Equipment	5	745,712.00	553,700.00	-	1,299,412.00	715,591.00	18,401.00	-	733,992.00	565,420.00	30,121.00
Misc. Fixed Asset	10	17,378,194.00	14,500.00	-	17,392,694.00	15,993,244.00	97,559.00	-	16,090,803.00	1,301,891.00	1,384,950.00
Workshop Tools & Implements	15	1,053,544.00	-	-	1,053,544.00	561,368.00	64,078.00	-	625,446.00	428,098.00	492,176.00
Vehicles	10	36,969,997.00	806,762.00	-	37,776,759.00	18,767,555.00	2,935,252.00	-	21,702,807.00	16,073,952.00	18,202,442.00
Tractors	8	764,249.00	-	-	764,249.00	660,875.00	66,652.00	-	727,527.00	36,722.00	103,374.00
Air Conditioners		1,172,403.00	-	-	1,172,403.00	1,172,403.00	-	-	1,172,403.00	-	-
Computers	3	5,099,668.00	126,600.00	-	5,226,268.00	5,074,877.00	21,863.00	-	5,096,740.00	129,528.00	24,791.00
Mobile Set	5	228,037.00	640.00	-	228,677.00	206,812.00	8,670.00	-	215,482.00	13,195.00	21,225.00
Software		711,000.00	-	-	711,000.00	711,000.00	-	-	711,000.00	-	-
<b>Total</b>		<b>791,123,643.00</b>	<b>3,230,107.00</b>	<b>-</b>	<b>794,353,750.00</b>	<b>510,178,317.00</b>	<b>15,137,540.00</b>	<b>-</b>	<b>525,315,857.00</b>	<b>269,037,893.00</b>	<b>280,945,326.00</b>
<b>Previous Year</b>		<b>793,123,768.00</b>	<b>6,500.00</b>	<b>2,006,625.00</b>	<b>791,123,643.00</b>	<b>495,060,883.00</b>	<b>16,569,647.00</b>	<b>1,452,033.00</b>	<b>510,178,498.00</b>	<b>280,945,145.00</b>	<b>298,062,885.00</b>
<b>Capital work in progress</b>										<b>3,371,306.11</b>	<b>2,759,075.10</b>
<b>Total</b>		<b>791,123,643.00</b>	<b>3,230,107.00</b>	<b>-</b>	<b>794,353,750.00</b>	<b>510,178,317.00</b>	<b>15,137,540.00</b>	<b>-</b>	<b>525,315,857.00</b>	<b>272,409,199.11</b>	<b>283,704,401.10</b>

<b>NOTE 12 Long Term Loans &amp; Advances</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Security Deposits		629,785		629,785
Taxes & Duties paid under protest		4,742,202		3,974,772
<b>Total</b>		<b>5,371,987</b>		<b>4,604,557</b>
<b>NOTE 13 Other Non-Current Assets</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Mat Credit Entitlement		11,130,629		11,130,629
<b>Total</b>		<b>11,130,629</b>		<b>11,130,629</b>
<b>NOTE 14 Inventories(valued at lower of cost and net realizable value)</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Work-in -progress				
- Sugar in process	-		761,300	
- Molasses in Progress	-		163,500	924,800
Finished goods				
- Sugar	24,790,290		73,157,536	
- Sugar & Sugar Biss	2,217,680		4,351,844	
- Molasses	13,243,027		11,009,060	
- Bagasse	5,564,750		8,690,000	
- Runner Riser	15,000	45,830,747	15,000	97,223,440
Stores & Spares		19,300,167		20,535,621
<b>Total</b>		<b>65,130,914</b>		<b>186,414,241</b>
<b>NOTE 15 Trade Receivables</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
(Unsecured,considered good unless stated otherwise )				
- Outstanding for a period exceeding six months from the due date	12,472,431		16,964,931	
- Others	1,395,374	13,867,805	163,250	17,128,181
<b>Total</b>		<b>13,867,805</b>		<b>17,128,181</b>
<b>NOTE 16 Cash and cash equivalents.</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Balances with scheduled banks				
- In Current Accounts	15,850,533		3,717,892	
- In F.D.R.'s	2,163,004	18,013,537	2,007,864	5,725,756
Cash & cash equivalents				
- Cash In Hand	382,376		736,946	
- Imprest Accounts				
- Staff Imprest	(563,867)	(181,491)	2,288,308	3,025,255
<b>Total</b>		<b>17,832,046</b>		<b>8,751,010</b>
A lien has been marked by the bank on the Fixed Deposits of Rs. 10 Lacs against term loan availed by the company.				
<b>NOTE 17 Short Term Loans &amp; Advances</b>				
Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Other Loans and Advances				
- Advances To Suppliers & Contractors	25,572,561		42,529,770	

-Advances To Other Parties	4,631,561		4,737,175	
-Loans & Advance-Cane Growers	41,782,207		26,539,149	
- Tax Deducted at Source	53,492		37,239	
- Interest subvention receivable	2,273,508		4,699,982	
- TDS recoverable from Kotak Mahindra	16,534		4,666	
- Taxes & duties Recoverable	2,939,615	77,269,478	2,340,224	80,888,206
<b>Total</b>		<b>77,269,478</b>		<b>80,888,206</b>
<b>NOTE 18 Others current assets</b>				
<b>Particulars</b>		<b>31.03.2016 (Rs.)</b>		<b>31.03.2015 (Rs.)</b>
Prepaid Expenses		395,851		408,126
Subsidy on sugar cane receivable		6,755,485		22,421,027
Taxes & Duties		1,690,343		3,658,157
<b>Total</b>		<b>8,841,679</b>		<b>26,487,311</b>
<b>NOTE 19 Revenue from operations</b>				
<b>Particulars</b>		<b>31.03.2016 (Rs.)</b>		<b>31.03.2015 (Rs.)</b>
Sale of finished goods		547,918,026		101,084,553
Sale of By products				
- Molasses		43,214,960		8,538,173
- Bagasse		4,500,105		5,614,504
- Scrap		600,000		-
Sale of Press Mud		989,420		815,308
Other Operating Revenue		36,590		-
Revenue from operations(gross)		597,259,101		116,052,538
Less: Excise duty		(33,008,190)		(4,889,050)
<b>Revenue from operations(net)</b>		<b>564,250,912</b>		<b>111,163,488</b>
<b>NOTE 20 Other income</b>				
<b>Particulars</b>		<b>31.03.2016 (Rs.)</b>		<b>31.03.2015 (Rs.)</b>
Interest income		297,526		330,555
Balances Written Back		3,283,617		15,242
Miscellaneous Income		455,993		3,976,709
<b>Total</b>		<b>4,037,136</b>		<b>4,322,506</b>
<b>NOTE 21 Cost of raw materials and components consumed</b>				
<b>Particulars</b>		<b>31.03.2016 (Rs.)</b>		<b>31.03.2015 (Rs.)</b>
Inventory at the beginning of the year		-		-
Add: Purchases		416,463,880		200,599,962
		416,463,880		200,599,962
Less :inventory at the end of the year		-		-
<b>Total</b>		<b>416,463,880</b>		<b>200,599,962</b>
<b>NOTE 22 (Increase)/ decrease in inventories</b>				
<b>Particulars</b>		<b>31.03.2016 (Rs.)</b>		<b>31.03.2015 (Rs.)</b>
Inventories at the end of the year				
Work -in -progress				
- Sugar in process	-		761,300	
- Molasses in Progress	-		163,500	924,800
Finished goods				
Main Product				
- Sugar	24,790,290		128,890,740	
- Sugar & Sugar Biss	2,217,680		12,413,285	

- Runner Riser	15,000		15,000	
	27,022,970		141,319,025	
<b>By-Product</b>				
- Molasses	13,243,027		21,097,358	
- Bagasse	5,564,750		2,537,436	
	18,807,777	45,830,747	23,634,794	164,953,819
<b>Closing Stock (Gross)</b>		45,830,747		165,878,619
<b>Less: Excise Duty</b>		3,639,675		8,318,114
<b>Closing stock (Net)</b>		42,191,072		157,560,505
<b>Inventories at the beginning of the year</b>				
<b>Work-in-progress</b>				
- Sugar In Process	13,174,585		4,351,844	
- Molasses in Process	163,500	13,338,085	-	4,351,844
<b>Finished goods</b>				
<b>Main Product</b>				
- Sugar	128,890,740		73,157,536	
- Runner Riser	15,000		15,000	
	128,905,740		73,172,536	
<b>By-Product</b>				
- Molasses	21,097,358		11,009,060	
- Bagasse	2,537,436		8,690,000	
	23,634,794	152,540,534	19,699,060	92,871,596
<b>Opening Stock (Gross)</b>		165,878,619		97,223,440
<b>Less: Excise Duty.</b>		(8,318,114)		(4,203,086)
<b>Opening stock (Net)</b>		157,560,505		93,020,354
<b>Total (Increase)/ decrease in inventories</b>		120,047,872		(68,655,179)

**NOTE 23 Employee benefit expenses**

Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Salaries, Wages & contractual labour		16,927,088		12,961,241
Bonus		179,269		157,619
Contribution to P.F., gratuity & other employee welfare schemes		433,151		212,500
Staff welfare expense		337,415		237,109
<b>Total</b>		17,876,923		13,568,469

**NOTE 24 Finance costs**

Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
<b>Interest</b>				
- On Term Loans	11,183,493		4,645,289	
- On Working Capital Loans	13,998,375		18,530,822	
- On Unsecured Loans	540,000		746,250	
- Others	174,019	25,895,887	258,924	24,181,285
<b>Bank charges</b>		811,173		946,963
<b>Total</b>		26,707,060		25,128,248

**NOTE 25 Depreciation**

Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)
Depreciation of tangible assets		15,137,539		16,569,647
<b>Total</b>		15,137,539		16,569,647

**NOTE 26 Other Expenses**

Particulars		31.03.2016 (Rs.)		31.03.2015 (Rs.)

<b>Manufacturing Expenses</b>											
- Repair Plant & Machinery		11,811,461	5,125,016								
- Process Store Consumed		5,054,248	3,837,104								
- Chemical Store Consumed		4,516,034	2,213,179								
-Transportation Charges		1,254,666	-								
- Others		7,122,654	5,228,518								
<b>Administrative Expenses</b>											
-Repairs And Maintenance		2,555,772	564,372								
-Rent		479,847	488,913								
- Travelling & conveyance expenses		1,216,745	925,857								
-Others		4,224,081	2,400,504								
-Electricity & Water Charges		1,590,387	1,318,834								
-Legal & Professional Fees & Exps.		1,737,338	1,295,243								
-Fine & Penalty		128,269	3,993,882								
<b>Selling &amp; distribution Expenses</b>		136,890	711,805								
<b>Total</b>		<b>41,828,392</b>	<b>28,103,226</b>								
<table border="0" style="width: 100%; text-align: center;"> <tbody> <tr> <td style="width: 25%;">(AIJAZ AHMAD)</td> <td style="width: 25%;">(LALIT KUMAR)</td> <td style="width: 25%;">(PARAMJEET SINGH)</td> <td style="width: 25%;">(ANOOP KUMAR SHRIVASTAV)</td> </tr> <tr> <td>CFO</td> <td>COMPANY SECRETARY</td> <td>MANAGING DIRECTOR</td> <td>DIRECTOR</td> </tr> </tbody> </table>				(AIJAZ AHMAD)	(LALIT KUMAR)	(PARAMJEET SINGH)	(ANOOP KUMAR SHRIVASTAV)	CFO	COMPANY SECRETARY	MANAGING DIRECTOR	DIRECTOR
(AIJAZ AHMAD)	(LALIT KUMAR)	(PARAMJEET SINGH)	(ANOOP KUMAR SHRIVASTAV)								
CFO	COMPANY SECRETARY	MANAGING DIRECTOR	DIRECTOR								

**27. NOTES ON ACCOUNTS****27.1 Contingent Liabilities:-**

Liabilities in respect of Income Tax and Sales Tax have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessment is accounted for in the year in which assessment is complete. The status of completed assessments is as under:

- i) Income Tax assessments have been assessed up to the assessment year 2013-14 and there is no outstanding demand in case of completed assessments.
- ii) Sales Tax assessments have been completed up to financial year 2012-13.  
The sales tax department has raised the following demands on account of Entry Tax, purchase tax, penalty etc:
  - a) The Sales Tax Department has raised a demand of Rs. 2.14 Lakhs (P.Y. 2.14 Lakhs) for the year 2005-06 against the company on account of disputed tax on interstate sale of Bagasse. The Company has filed an appeal with the Appellate Authority.
  - b) There are demands for alleged entry tax evasion totaling Rs. 539.17 lakhs against the company relating to various years (up to F.Y. 2013-14). Rs. 40.53 lakhs has been deposited with the authorities and the same has been shown under the head Taxes and Duties paid under protest under Long Term Loans & Advances. The company has filed appeals with the appropriate authorities against the demand orders.
  - c) There is Sales tax demand of Rs. 3.52 Lakhs on account of sale of molasses and purchase from unregistered dealers during financial year 2005-06. An amount of Rs. 0.72 Lakhs has been deposited with the authorities and the same has been shown under the head Taxes and Duties paid under protest under Long Term Loans & Advances. The company filed an appeal with the Additional Commissioner I (A), Sales Tax, Bareilly which was rejected. Further appeal has been filed with Commercial Tax, Tribunal, Bareilly which is still pending.
  - d) There is a Sales tax Penalty of Rs 0.60 lakhs for financial year 2006-07 imposed on the company against Form 'C' issued for the purchase of items not covered in Central Registration Certificate. An amount Rs. 0.30 lakhs has been deposited with the authorities and the same has been shown under the head Taxes and Duties under protest under long term loans and advances. The case is pending with the Commercial Tax, Tribunal, Bareilly.
  - e) There is disputed Input tax credit and Special Investigation Bureau report demand of Rs. 2.89 Lakhs for the financial year 2007-08 against the Company. An amount of Rs. 1.20 Lakhs has been deposited with the authorities and the same has been shown under the head Taxes and Duties paid under protest under Long Term Loans & Advances. The company has filed an appeal with the Additional Commissioner I (A), Sales Tax, Bareilly, against the demand order.
  - f) There is disputed demand of Rs. 1.90 lakhs for the financial year 2008-09 against the Company on account of VAT on rice husk & ITC adjustment. An amount of Rs. 0.96 lakhs has been deposited by the Company with the authorities and the same has been shown under the head Taxes and Duties paid under protest under Long Term Loans & Advances. The Company has filed an appeal with the Additional Commissioner II, Sales Tax, Bareilly, against the demand order.
- iii) The Excise Department has disallowed Cenvat credit of Rs. 1.76 Lakhs on various inputs. The same amount has been shown under the head Taxes and duties deposited under protest under long term loans and advances. The case is pending with the appellate authority.

**27.2** The balance of trade receivable, trade payables, contractors and others are subject to reconciliation and confirmation.

**27.3** In the opinion of the Board of Directors, all the Current Assets, Loans and Advances, if realised in the ordinary course of business, have a value at least equal to the amount at which these are stated in the Balance Sheet.

**27.4 Prior Period Expenses**

Prior period items include the following:-

(In Rs. lakhs)

Particulars	31.03.2016	31.03.2015
Income	NIL	NIL
Expenses	1.54	2.86

**27.5** Excise duty amounting to Rs. 36.40 lakhs (Previous year 83.18 lakhs) has been added in the closing stock and the same has also been shown as excise duty payable. However, this has no effect on the Loss for the year.

**27.6** As per Accounting Standard-15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

- (i) The provision for gratuity as per Actuarial valuation certificate is Rs.6,16,302 /-
- (ii) The provision for leave encashment as per Actuarial valuation certificate is Rs.1,95,164/-

Period	As on 31 <sup>st</sup> March 2016	As on 31 <sup>st</sup> March 2015
Number of Employees	102	84
Total monthly salary (in Lakhs Rs.)	5.35	4.21
Average Age (in years)	41.60	41.35

Summary of membership data of valuation and statistics based thereon:

(Rs. in lakhs)

The principal assumptions used in actuarial valuation are as	2015-16	2014-15
- Discount rate	8.00%	7.75%
- Expected rate of return on assets	N.A.	N.A.

	5.50%		5.25%	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
- Expected rate of future salary increase				
<b><u>Change in present value of obligations</u></b>				
- Present value of obligations as at Beginning of the year	2.02	9.76	3.19	11.96
- Interest cost	0.16	0.76	0.27	1.02
- Current service cost	0.89	1.39	0.47	1.27
- Benefits paid	(0.41)	(0.58)	(0.37)	NIL
- Actuarial loss on Obligations	(0.71)	(5.17)	(1.55)	(4.49)
- Present value of obligations as at closing of the year	1.95	6.16	2.01	9.76
<b><u>Changes in fair value of plan assets</u></b>	N.A.	N.A.	N.A.	N.A.
<b><u>Liability recognized in the Balance Sheet</u></b>				
- Present value of obligations at the end of year	1.95	6.16	2.01	9.76
- Fair value of plan assets as at the end of the year	-	-	-	-
- Funded status	(1.95)	(6.16)	(2.01)	(9.76)
- Unrecognized Actuarial (Gain) / Loss	-	-	-	-
<b>- Net (Assets) / Liability recognized in Balance Sheet</b>	<b>(1.95)</b>	<b>(6.16)</b>	<b>(2.01)</b>	<b>(9.76)</b>
<b><u>Expenses recognized in Profit and Loss Account</u></b>				
- Current service cost	0.89	1.39	0.47	1.27
- Past service cost	-	-	-	-
- Interest cost	0.16	0.76	0.27	1.02
- Expected return on plan assets	-	-	-	-
- Net Actuarial (Gain) / Loss recognized during the year	(0.71)	(5.17)	(1.55)	(4.49)
<b>- Total Expense recognized in Profit and Loss Account</b>	<b>0.34</b>	<b>(3.02)</b>	<b>(0.81)</b>	<b>(2.20)</b>

## 27.7 Segment Reporting

### Primary Segment

Based on the guiding principles given in the Accounting Standard – 17 “Segment Reporting” issued by ICAI, the Company's segments are Sugar, Power and Furnace.

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the respective segment.

### Segment Identification

Business segments have been identified on the basis of the nature of products/services, the risk return profile of individual businesses, the organizational structure and the internal reporting system of the company.

## 27.8 Related Party Disclosures:

Disclosures as required by the Accounting Standard -18 “Related Party Disclosures” issued by the ICAI are given below:

### A. Relationship

#### a) Associate Companies

- a. M/s Moon Network Pvt. Ltd.
- b. M/s Moon Restaurant. Pvt. Ltd.
- c. M/s Moon I.T.Services. Pvt. Ltd.
- d. M/s Rajan Hotel Pvt. Ltd.
- e. M/s Hotel Yamuna View Ltd.
- f. M/s Guru Nanak Sugar Industries Ltd.
- g. M/s A.I.S Builders & Developers Pvt. Ltd.
- h. M/s Milestone Pharma Pvt. Ltd.
- i. M/s Moon Laxmi Communication Pvt. Ltd.
- j. M/s Amrit Restaurants & Hotel Pvt. Ltd.

#### b) Key Management Personnel:

1. S. Paramjeet Singh – Managing Director

**Segment Reporting**

Rs in lacs

Particulars	SUGAR		FURNACE		POWER		ELIMINATION		TOTAL	
	31.3.2016	31.03.2015	31.3.2016	31.03.2015	31.3.2016	31.03.2015	31.3.2016	31.03.2015	31.3.2016	31.03.2015
<b>Segment Revenue</b>										
External Sales	5,966.59	1,160.53	6.00	-	-	-	-	-	5,972.59	1,160.53
Job Work Receipts	-	-	-	-	-	-	-	-	-	-
Inter Segment Sale	-	-	-	-	-	-	-	-	-	-
<b>Total Sales</b>	<b>5,966.59</b>	<b>1,160.53</b>	<b>6.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,972.59</b>	<b>1,160.53</b>
Less : Excise Duty	330.08	48.89	-	-	-	-	-	-	330.08	48.89
Net Sales	<b>5,636.51</b>	<b>1,111.63</b>	<b>6.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,642.51</b>	<b>1,111.63</b>
<b>Segment Results</b>										
Operating Profit	(257.27)	(668.13)	(2.52)	(8.51)	(2.00)	(1.64)	-	-	(261.79)	(678.28)
Less: Unallocable expenditure									122.09	109.88
Less : Interest Expenses	267.07	251.28	-	-					267.07	251.98
<b>Profit Before Tax</b>	<b>(524.34)</b>	<b>(919.41)</b>	<b>(2.52)</b>	<b>(8.51)</b>	<b>(2.00)</b>	<b>(1.64)</b>	<b>-</b>	<b>-</b>	<b>(650.95)</b>	<b>(1,039.43)</b>
Income Tax Prev. Years									-	-
Provision for Current Tax									-	-
Deferred Tax Liability									-	-
FBT written off									-	-
Prior Period Expense									1.54	2.86
MAT Credit Asset										
<b>Profit After Tax</b>									<b>(652.49)</b>	<b>(1,042.29)</b>
Other Information										
<b>Segment Assets</b>	<b>3,380.48</b>	<b>4,841.68</b>	<b>(239.04)</b>	<b>97.22</b>	<b>1,153.48</b>	<b>828.57</b>			<b>4,294.92</b>	<b>5,767.47</b>
Unallocated assets	-	-	-	-	-	-	-	-	423.62	423.62
Total Assets									4,718.54	6,191.09
<b>Segment Liability</b>	<b>4,950.62</b>	<b>5,521.76</b>	<b>10.69</b>	<b>17.53</b>	<b>2.32</b>	<b>2.32</b>			<b>4,963.63</b>	<b>5,541.61</b>
Unallocated liabilities	-	-							379.27	1,221.34
Total Liabilities									5,342.90	6,762.95
Capital Expenditure (Net)	32.30	(20.00)			-	-	-	-	32.30	(20.00)
Depreciation	141.90	156.14	8.51	8.51	0.96	1.05	-	-	151.38	165.70

**B. Transactions with related Parties**

(Rs. In Lakhs)							
S.No.	Nature of Transactions	Associate Companies'		Key Management Personnel		Relatives	
		Year ended 31-03-16	Year ended 31-03-15	Year ended 31-03-16	Year ended 31-03-15	Year ended 31-03-16	Year ended 31-03-15
1.	Loan Received	-	244.00	687.08	1379.53	-	-
2.	Loan Repaid	-	256.75	1529.34	515.75	-	0.45
3.	Outstanding Balance	-	-	321.50	1163.78	-	-

**27.9 Earning per Share**

Particulars	2015-16	2014-15
(a) Weighted average number of shares	6461050	6461050
(b) Net profit available for Equity Share Holders (Rs. In lakhs)	(652.49)	(1042.29)
(c) Basic and diluted earnings per shares (Rs.) (Face Value Rs. 10/-)	(10.10)	(16.13)

**27.10 Deferred Tax**

Deferred tax assets (DTA) and liabilities (DTL) are being offset as they relate to taxes on income levied by the same governing taxation laws.

Major components of DTA and DTL:-

Particulars	(Rs. in Lakhs)		
	As on 31.03.2016	During the Year	As on 31.03.2015
<b><u>A) Deferred Tax Liability(DTL)</u></b>			
-Difference in Carrying Amount of Fixed assets in the financial statements and the Income Tax Returns	1507.87	(16.97)	1,524.84
<b>TOTAL (A)</b>	<b>1507.87</b>	<b>(16.97)</b>	<b>1,524.84</b>
<b><u>B) Deferred Tax Asset(DTA)</u></b>			
-Unabsorbed depreciation / Business Loss	4766.60	816.85	3949.75
- Effect of Sec. 145-A	13.75	(56.70)	70.45
<u>Expenses\ Provisions debited to P&amp;L account but disallowed in the income tax act,1961</u>	9.91	(3.45)	13.36
<b>TOTAL (B)</b>	<b>4790.25</b>	<b>756.70</b>	<b>4033.55</b>
<b>Net DTL/(DTA) (A-B)</b>	<b>(3282.38)</b>	<b>(773.66)</b>	<b>(2508.72)</b>
Tax Impact	(1014.25)	(239.06)	(775.19)

As a matter of prudence, deferred tax asset has not been recognised.

**27.11 Impairment of Assets**

As per Accounting Standard -28 "Impairment of Assets" issued by ICAI, the management has reviewed its cash generating units as on 31.03.2016. No indication has been found by the management to suggest that the recoverable amount of Asset is less than the carrying amount. Hence no impairment loss on asset has been recognized.

**27.12** The Movement of Provisions as required by Accounting Standard (AS – 29) "Provisions, Contingent Liabilities and Contingent Assets" issued by ICAI is as follows:

(Rs. in Lakhs)				
Particulars	Opening Balance as on 01.04.2015	Additions during the year	Paid/ (Reversed)	Closing Balance as on 31.03.2016
Provision for leave encashment	2.01	NIL	(0.06)	1.95
Provision for Gratuity	9.76	NIL	(3.60)	6.16

**27.13 Derivatives instruments and unhedged foreign currency exposure:**

Particulars	31.03.2016	31.03.2015
Unhedged foreign currency exposure	Nil	Nil

**27.14** In view of insufficient information from the suppliers regarding their status as Small, Micro & Medium Enterprises, amount over due to such undertakings can not be ascertained. However, the company has not received any claim in respect of interest on such dues.

## 27.15 Auditors Remuneration

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
Audit Fees	1.00	1.00
Taxation Matters	0.25	0.25
Reimbursement of expenses	0.30	0.15
Service Tax	0.18	0.15

## 27.16 Foreign currency details:

(Rs. in Lakhs)

Particulars	31.03.2016	31.03.2015
Expenditure in Foreign Currency	Nil	Nil
CIF Value of imports-Raw Materials	Nil	Nil
Earning in Foreign Exchange	Nil	Nil
FOB Value of Exports	Nil	Nil
Capital Goods Imported	Nil	Nil

## 27.17 Consumption of Raw Materials and Stores and Spares

	31.03.2016		31.03.2015	
	(Rs. in Lakhs)	% age	(Rs. in Lakhs)	% age
a) Raw Material				
Imported	--	--	--	--
Indigenous	4232.19	100.00	2006.00	100.00
<b>Total</b>	<b>4232.19</b>		<b>2006.00</b>	
b) Stores & Spares				
Imported		--	--	--
Indigenous	163.27	100.00	73.62	100.00
<b>Total</b>	<b>163.27</b>	<b>100.00</b>	<b>73.62</b>	<b>100.00</b>
c) Packing Material	50.54	100.00	38.37	100.00

27.18 Due to accumulated losses the total net worth of the company has been eroded and the Company is required to register with Board for Industrial and Financial Reconstruction (BIFR) as it is covered under The Sick Industrial Companies (Special Provisions) Act (SICA) of 1985.

27.19 The Government of India has announced subsidy for the Season 2015-16 linked to Scheme for extending production subsidy to sugar mills vide notification no. 20(430/2015-S.P.I, dated 2<sup>nd</sup> December, 2015). The Company has recognized such subsidy of Rs. 67.55 Lakhs and reduced the same from the cane cost.

27.20 Previous year figures have been recasted/regrouped/rearranged wherever necessary to make them comparable with that of current year.

For KANSAL SINGLA & ASSOCIATES,  
Chartered Accountants

Sd/  
(CA Surinder Kumar Arora)  
PARTNER  
M.No.070405  
FRN 003897N

Place: Chandigarh  
Date: 30.05.2016

**FORM NO. MGT-11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**OSWAL OVERSEAS LIMITED**

CIN: L74899DL1984PLC018268  
Registered Office: 72, Ground Floor,  
Taimoor Nagar, New Delhi- 110025  
Phone: (011)26322664,  
Fax: (011)26332465,  
Email: cs@oswaloverseasltd.com

Name of the Shareholder/Proxy	
Address	
Email-id:	
Folio No./Client ID:	
DP ID:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint :

- |           |                        |
|-----------|------------------------|
| 1. Name:  | Address:               |
| E-mail Id | Signature:             |
|           | <b>or failing him;</b> |
| 2. Name:  | Address:               |
| E-mail Id | Signature:             |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the company, to be held on Thursday, the 29<sup>th</sup> September, 2016 at 12:30 p.m. at 72, Ground Floor, Taimoor Nagar, New Delhi - 110025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Optional	
		For	Against
	<b>Ordinary Business</b>		
1	To approve the audited financial statements of the Company for the year ended 31st March, 2016, together with the Report of the Directors and Auditors' thereon.		
2	Re-appointment of Mr. Anoop Kumar Srivastava who retires by rotation		
3	Ratification of appointment of M/s Kansal Singla & Associates, Chartered Accountants, as Statutory Auditors and fixing their remuneration		
	<b>Special Business</b>		
4	To Appoint additional director as director of the company		
5	To fix the remuneration of Cost Auditor for the financial year 2016-17		

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

Signature of shareholder:

Affix Re.1 Revenue
--------------------------

Signature of Proxy holder(s):

Notes: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## ATTENDANCE SLIP

## OSWAL OVERSEAS LIMITED

CIN: L74899DL1984PLC018268

Registered Office: 72, Ground Floor,  
Taimoor Nagar, New Delhi – 110025

Phone: (011)26322664, Fax: (011)26332465,

Email: [cs@oswaloverseasltd.com](mailto:cs@oswaloverseasltd.com)

Name of the Shareholder/Proxy	
Address:	
Email-id:	
Folio No./Client ID:	
DP ID:	

I hereby record my presence at the **Annual General Meeting** of the Company held on Thursday, the 29<sup>th</sup> September, 2016 at 12:30 p.m. at 72, Ground Floor, Taimoor Nagar, New Delhi-110025.

.....  
Signature of Shareholder / Proxy

**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE ENTRANCE DULY FILLED IN.**