



OSWAL
CHEMICALS & FERTILIZERS LTD.



A N N U A L R E P O R T 2 0 0 9 - 2 0 1 0

BOARD OF DIRECTORS

Shri Abhey Kumar Oswal - Chairman & Managing Director

Shri Anil Bhalla - Whole Time Director

Shri Atul Kulshrestha

Shri Krishan Chander Bajaj

Shri Burra Aditya Shastri

Shri Sumit Dutt

COMPANY SECRETARY

Shri H. K.Gupta

AUDITORS

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

BANKERS

The Royal Bank of Scotland N.V.

HDFC Bank Ltd.

Standard Chartered Bank

Syndicate Bank

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153/ A, Okhla Industrial Area, Phase-I,
New Delhi - 110020
Ph: +91 11 26812682, 26812683
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NOTICE OF THE MEETING

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Oswal Chemicals & Fertilizers Limited will be held on Thursday, the 30th September, 2010 at 10.30 A.M. at the Registered Office of the Company at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana, Punjab-141003, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date together with the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Anil Bhalla, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Burra Aditya Shastri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s T.R. Chadha & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT the Board of Directors be and is hereby authorized, pursuant to section 293(1) (e) of the Companies Act, 1956 and other applicable provisions of law, to contribute at its discretion from time to time in any financial year by way of donations/ charities, not directly related to the business of the Company or to the welfare of its employees, up to a total amount of Rs.3000 Lacs (Rupees Three Thousand Lacs only) or such amount as may be permissible under the said section of the Companies Act, 1956, whichever is greater.

RESOLVED FURTHER THAT charitable contributions made by Rs.1313.51 Lacs in excess of previously approved limit as at 31.03.2010, be and are hereby approved, confirmed and ratified".

By Order of the Board
for OSWAL CHEMICALS & FERTILIZERS LTD

Place : New Delhi

Date : 12.08.2010

H.K. Gupta
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY STAMPED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of members and the Share Transfer Books of the Company shall remain closed from 24th September, 2010 to 30th September, 2010 (both days inclusive).
3. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 5 is enclosed herewith and forms part of this notice.
4. Shareholders interested in giving nominations in respect of the shares held by them can do so by obtaining nomination forms from the Company.
5. Company's Equity Shares are compulsory traded in Demat Form and therefore shareholders are requested to get their shares dematerialized by opening an account with a Depository Participant through "National Securities Depository Ltd." (NSDL) or "Central Depository Services Ltd." (CDSL).
6. The Register of Directors' shareholding in the Company shall remain open for inspection to the Members of the Company during 10.00 a.m. to 12.00 noon on each working day beginning with 14 days prior to the date of annual general meeting and ending 3 days after the date of its conclusion at the Registered Office of the Company.
7. The Investors may send the documents for transfer of shares and other correspondence/queries relating to shares directly to the registrar and share transfer agent of the Company M/s Skyline Financial Services Pvt, Ltd., D-153/ A, Okhla Industrial Area, Phase-I, New Delhi - 110020.
8. Members' holdings shares in the dematerialized mode are requested to intimate all changes with respect to their Bank Details, Mandate, Power of Attorney or address for correspondence to their respective Depository Participant (DP). These changes will be automatically reflected in the Company's records through Electronic Connectivity with NSDL/CDSL.
9. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case, the shares are held in the dematerialized form, they must quote their client ID number and their DP ID number.

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

The particulars of the Directors who are proposed to be appointed/re-appointed are as given below:

1. Shri Anil Bhalla

Shri Anil Bhalla is a Whole time Director on the Board of Company and has been actively associated with all the business endeavors of the Company. He has vast experience, administrative skills and has made valuable contribution in the expansion and growth of the Company at all levels. He is a Director on the Board of Oswal Agro Mills Ltd and Lucky Star Entertainment Ltd. He is also a trustee of Aruna Abhey Oswal Trust. He is member of Investor Grievance Committee and Share Transfer Committee. Neither he nor any of his family members hold any shares of this company.

2. Shri Burra Aditya Shastri

Shri Burra Aditya Shastri was appointed on the Board of the Company as an additional director w.e.f. 7th March 2009. He is 43 years of age. He is a postgraduate in Mathematic and a diploma holder in Business Management from Mumbai. He has 21 years of experience in the field of consumer product, retail, cinema and movie marketing. During his tenure he was associated with Godfrey Philip India, Titan Watch, 20th Century Fox, Inc. In 20th Century Fox, Inc. he was a Managing Director of the company for the period of 10 years. He is a member of Audit Committee and Remuneration Committee. Neither he nor any of his family members hold any shares of this company.

By Order of the Board
for OSWAL CHEMICALS & FERTILIZERS LTD

Place : New Delhi

Date : 12.08.2010

H.K. Gupta

Company Secretary

EXPLANATORY STATEMENTS PRUSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO 5 OF THE ACCOMPANYING NOTICE IS AS UNDER:

ITEM NO.5

The Company has been receiving a number of applications and requests for contributions to charitable and other funds, which are scrutinized and responded depending on their merit. As a gesture of munificence, the Company has to make donations to Charitable Institutions which, in a financial year, are likely to exceed the limit specified in section 293(1)(e) of the Companies Act, 1956, that is to say Rs.50,000 or 5% of the average net profits as determined in accordance with sections 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater.

Your company has made charitable contribution during the financial years 2007-08, 2008-09 and 2009-10 aggregating to Rs.2079.94 Lacs, which exceeded the previously approved limit by Rs.1313.51 Lacs. Your directors recommend that the same may be confirmed.

Section 293(1)(e) permits such subscription in excess of above said limits, if shareholders approve. Hence your Board seeks the approval of the Members of this resolution.

None of Directors except Mr. Abhey Kumar Oswal is concerned or interested either directly or indirectly in this resolution.

By Order of the Board
for OSWAL CHEMICALS & FERTILIZERS LTD

Place : New Delhi

Date : 12.08.2010

H.K. Gupta

Company Secretary

DIRECTORS' REPORT

To
The Members,
Oswal Chemicals & Fertilizers Ltd.

Your Directors present the Twenty Eighth Annual Report along with Audited Statement of Accounts for the Financial Year ended 31st March, 2010.

FINANCIAL RESULTS

The summary of operating results for the year is given below:-

	(Rs. in Lacs)	
	2009-10	2008-09
Gross Profit/(Loss) before depreciation and Tax	(1037)	2866
Depreciation	140	138
Profit/(Loss) before Tax	(1177)	2728
Fringe Benefit Tax	6	32
Current Tax	-	310
Profit/(Loss) after Taxation	(1183)	2386
Add : Balance brought forward from last year	(30501)	(32887)
Balance in Profit & Loss Account	(31684)	(30501)

REVIEW OF OPERATIONS & FUTURE OUTLOOK

During the year, the Company has suffered a loss of Rs.11.83 Crores due to depressed market conditions in the real estate sector. The Company continued to have a very cautious approach towards the real estate sector. The general economic conditions have already started showing signs of recovery, specially in the fertilizers sector where the increasing demand from farmers and change in Government policy have made this sector quite attractive.

Your company is trying to explore the possibility of setting up a manufacturing facility in a country where the raw material for the manufacture of Phosphoric Fertilizer is available. The demand for the phosphoric fertilizers in the country has seen an increasing pattern over the last five years and India is net importer of phosphoric fertilizer. The past experience of your company proves that the manufacturing facility for the Phosphoric Fertilizer must remain close to the source of the raw material. I am happy to inform you that your company is seriously negotiating with the Govt. of Syria to set up a manufacturing facility with a tie up of raw material i.e. Rock Phosphate through the wholly owned subsidiary company M/s Universal Projects FZE and hopes to sign a MOU within a month.

With the Govt. changing the fertilizer policy and the demand for fertilizers increasing every year, the future outlooks very bright.

SUBSIDIARY COMPANY

The company promoted M/S Oswal Engineering Ltd in UAE as wholly owned subsidiary. The company's other subsidiary M/s Universal Projects FZE is already in business at UAE. This subsidiary company is actively negotiating to acquire raw materials to set up a phosphoric fertilizer plant at Syria.

PUBLIC DEPOSITS

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

DIVIDEND

In view of the projects being undertaken by the company, which require heavy capital outlay, your directors do not recommend any dividend for the year.

MATERIAL CHANGES

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

AUDITORS' REPORT

The Auditor's report on audited accounts for the year 2009-10 contains qualification regarding non-provision of doubtful debts, non-confirmation/reconciliation of certain balances, managerial remuneration subject to necessary approvals from Central Government and shareholders approvals for making donations in excess of limits provided in section 293 (1) (e) of the Companies Act, 1956.

The management is confident that all the debtors are fully realizable. The reconciliation with certain parties and their confirmation is in process and shareholders approvals for making donations in excess of prescribed limit is being sought in the ensuing Annual General Meeting of the company.

The company is also in the process of obtaining the necessary approval of the Central Government for the managerial remuneration.

AUDITORS

M/s T. R. Chadha & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s

224(1B) of the Companies Act, 1956. M/s T. R. Chadha & Co., Chartered Accountants, are required to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Audit Committee has also recommended their appointment.

DIRECTORS

Shri Anil Bhalla and Shri Burra Aditya Shastri directors retire by rotation and being eligible, offer themselves for re-appointment.

Dr. Virender Kumar Jain, Director has resigned from the Board of the Company with effect from 07.08.2009. Your Directors express their appreciation for the valuable contribution made by Dr. Virender Kumar Jain during their tenure in the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, in relation to financial statements for the year 2009-10, the Board of Directors state that:-

- i. That in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and the profit of the Company for the year ended on 31st March, 2010;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2010 and has not given any adverse observations. It has also recommended the re-appointment of M/s T.R. Chadha & Company, Chartered Accountants as statutory auditors of the Company.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement, Corporate Governance Report and Management Discussion & Analysis are enclosed as Annexure-II & III.

PARTICULARS OF EMPLOYEES

Particulars of the Employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975 as amended are given in the Annexure-I forming part of this report.

PARTICULARS OF ENERGY CONSERVATION / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNING AND OUT GO

The particulars of conservation of Energy and Technology absorption as per 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable as the Company's plants were not operational during the year. During the year under review, the foreign exchange earnings were Rs. 2458.29 Lacs (Previous year NIL) and foreign exchange outgo was Rs.70.30 Lacs (Previous year Rs.31.88 Lacs).

HUMAN RELATIONS

The Directors are happy to state that relations between the Company and its employees remained cordial throughout the year. The Directors express their appreciation for the services rendered by the employees of the Company at various levels.

LISTING / DELISTING OF SHARES

Presently the Company's equity shares are listed on the following Stock Exchanges:

The National Stock Exchange of India Ltd

The Calcutta Stock Exchange Association Ltd.

The Ahmedabad Stock Exchange

The Applications for delisting of shares are pending with Calcutta Stock Exchange and Ahmedabad Stock Exchange. The equity shares of the Company continue to be listed with National Stock Exchange of India Ltd.

Listing Fee for the year 2010-11 has been paid to the National Stock Exchange of India Ltd.

ACKNOWLEDGEMENTS

The Board of Directors wishes to place on record their appreciation of the sincere services rendered by employees and also place on record their appreciation for the valuable co-operation and support received from the Govt. of India. I would also like to thanks our shareholders for their continued support.

For & on behalf of the Board
Oswal Chemicals & Fertilizers Limited

ABHEY KUMAR OSWAL
Chairman & Managing Director

Place : New Delhi
Date : 12.08.2010

ANNEXURE TO DIRECTORS' REPORT

Particulars of employees as required under sub-section (2A) of section 217 of Companies Act, 1956 read with companies (particulars of employees) rules, 1975 and forming part of the directors' report for the year ended 31st March, 2010.

S. No.	Name	Designation	Age (Yrs.)	Qualification	Remuneration Amount (Rs)	Date of Commencement of Employment	Experience (yrs.)	Last Employment Held & Designation
1.	Oswal Abhey Kumar	Chairman & Managing Director	61	B.Com	44613473	01.09.1995	40	Managing Director Oswal Agro Furane Ltd.
2.	Bhalla Anil	Whole -time Director	60	B.Com	16520000	01.07.2000	39	Director Oswal Agro Mills Ltd.
3.	Agarwal K.K.*	Sr. Vice President	64	B.Sc (Chemical Engg)	3965400	14.09.2007	42	Kribhco Shyam Fertilizer Ltd.
4.	Kanwar Punam*	Vice President in Marketing Economics & Management	36	Post Graduate	1880000	01.12.2009	16	Emaar Mgf
5.	Garg Seema*	Vice President	42	MBBS, MD M.Phil	1420000	09.11.2009	18	Paritrans Trust
6.	Chatterjee Kamal*	Vice President	44	B.E (MEP)	1460128	03.12.2009	20	GMR Energy Ltd.
7.	Sethi Sanjay*	General Manager	43	B.E (Mech.) MS (CAD)	1094257	29.10.2009	19	Adani Enterprises Ltd.

- i) * Employed for part of the year.
- ii) Remuneration as shown above includes salary, allowances, medical reimbursement, leave travel assistance, company contribution to provident fund & monetary value of perquisites..
- iii) All the above employees except Mr. K K Agarwal, Mrs Punam Kanwar. Dr. Seema Garg, Mr Kamal Chatterjee and Mr. Sanjay Sethi are Whole Time Directors and none of them is related to each other.
- iv) All appointments are contractual except that of Mr. K K Agarwal, Mrs.Punam Kanwar, Dr. Seema Garg, Mr Kamal Chatterjee and Mr Sanjay Sethi.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance at Oswal Chemicals & Fertilizers Ltd. has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best systems, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below.

2. BOARD OF DIRECTORS:

The Company's policy is to maintain optimum combination of Executive and Non Executive directors. The Board of the Company presently comprises of six directors out of which three are Non Executive Independent directors, two are Executive directors and one is Non Executive Non Independent director.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies. Also, none of the Directors on the Board hold the office of Director in more than 15 companies. The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the declarations made by the Managing Director regarding compliance with all applicable laws.

COMPOSITION OF BOARD OF DIRECTORS, NUMBER OF DIRECTORSHIP IN OTHER COMPANIES AND MEMBERSHIPS IN THE BOARD COMMITTEES OF ALL COMPANIES (INCLUDING YOUR COMPANY AS ON 31.03.2010) ARE GIVEN HEREUNDER:

S. No.	Name of Directors/DIN No.	Designation	No. of Directorship of Other Companies	No. of Membership in All Board Committees As Chairman As Member	
Executive Directors					
1.	Shri Abhey Kumar Oswal 00589130	Chairman & Managing Director	1	-	4
2.	Shri Anil Bhalla 00587533	Whole-Time Director	2	-	4
Non Executive Directors					
3.	Shri Atul Kulshrestha 00194733	Non-Independent Director	6	-	3
4.	Shri Krishan Chander Bajaj 01844498	Independent Director	-	-	3
5.	Shri Burra Aditya Shastri 01508674	Independent Director	-	-	2
6.	Shri Sumit Dutt 01265514	Independent Director	-	-	2
7.	Dr. Virender Kumar Jain * 00471153	Independent Director	-	-	4

* Dr. Virender Kumar Jain has resigned from the Board of company w.e.f. 07.08.2009

BOARD MEETINGS

During the year under review, six meetings were held. These were held on 28/04/2009, 29/06/2009, 31/07/2009, 07/08/2009, 31/10/2009 and 30/01/2010. The intervening period between two Board Meetings was less than four months against the maximum gap of four months as prescribed under Clause 49 of the Listing Agreement.

THE DETAILS OF DIRECTORS AND THEIR ATTENDANCE RECORDS AT THE BOARD MEETINGS AND AT THE LAST ANNUAL GENERAL MEETING DURING THE YEAR UNDER REVIEW ARE AS FOLLOWS:

Name of the Directors	No. of Board Meetings attended	Whether attended last AGM
Executive Directors		
Shri Abhey Kumar Oswal	5	No
Shri Anil Bhalla	6	No
Non-Executive Directors (Independent)		
Shri Krishan Chander Bajaj	6	Yes
Shri Sumit Dutt	2	No
Shri Burra Aditya Shastri	2	No
Dr. Virender Kumar Jain*	3	No
Non-Executive Director (Non Independent)		
Shri Atul Kulshrestha	5	No

* Resigned w.e.f. 07.08.2009

Board's Procedures

A. Scheduling and selection of agenda items for Board meetings

- (i) The Company holds minimum of four Board meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board meetings, giving appropriate notice at any time to address the specific needs of the Company convenes additional Board meetings. The Board may also approve permitted urgent matters by passing resolutions by circulation.
- (ii) The meetings are usually held at the Company's corporate office at New Delhi.
- (iii) The matters requiring discussion/ approval/ decision in the Board/ Committee meetings are planned well in advance. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings.
- (iv) The Board is informed about the operations of the Company across all business segments before taking on record the results of the Company for the preceding financial quarter at each of the pre scheduled Board meetings. The Board's annual agenda includes determining directors who shall retire by rotation and recommending appointment of directors/ auditors, authentication of annual accounts and approving Directors' Report, long term strategic plan for the Company and the principal issues that the Company expects to face in the future. Board meetings also take note and review functions of its Committees.
- (v) The Chairman and Managing Director and the Company Secretary in consultation with other concerned persons in the top management, finalize the agenda papers for the Board meetings. The Board is provided all the information as required under the Clause 49.

B. Board material distributed in advance

- (i) Agenda papers are circulated to the directors, in advance, in the defined agenda format. All material information is incorporated in the agenda papers for facilitating meaningful, informed and focused discussions at the meetings. Where it is not practicable to attach any document to the agenda, the same are placed on the table at the meeting with specific reference to this effect in the agenda.
- (ii) With the permission of Chairman, additional supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance for the meeting.

C. Recording minutes of proceedings at Board meeting

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. The minutes of Board /Audit Committee meeting are circulated with the agenda papers for the next Board/ Audit Committee meeting for confirmation of members. The minutes of the proceedings of a meeting are entered in the minutes book within thirty days from the conclusion of the meeting and signed by the Chairman of the next Board/ Audit Committee meeting.

D. Post meeting follow up mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committees. The actions taken on the decisions of the last Board/ Audit Committee meeting are discussed in the next Board/ Audit Committee meeting.

E. Compliance

The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s) and holding and conducting the meetings, is responsible for and is required to ensure adherence to all the applicable provisions of law.

3. COMMITTEES OF BOARD:

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Four Committees namely Share Transfer Committee, Audit Committee, Investors Grievance Committee and Remuneration Committee with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. They ask for the inputs and details required for their decisions, from the executive management. Targets set by them as agreed with mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. The details of Committees and meetings thereof are as follows:

A. AUDIT COMMITTEE

The scope of the Audit Committee as outlined in the Charter includes:

- a. Reviewing the quarterly financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices and reasons for the change;
 - Major accounting entries involving estimates based on exercise of judgment by Management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with listing and other legal requirements concerning financial statements;
 - Any related party transactions i.e. transactions of the Company of a material nature with promoters or the management, their subsidiaries or relatives etc. or any related party transaction, that may have a potential conflict with the interests of the Company at large or may not be in the normal course of business;
 - Review the annual Management Discussion and Analysis of financial condition Report, results of Operations Report and the Directors' Responsibility Statement;
 - Overseeing the Company's financial reporting process and the disclosure of its financial information, including earnings, to ensure that the financial statements are correct, sufficient and credible;
 - Disclosures made under the CEO and CFO certification to the Board and investors.

- b. Reviewing with the management, external auditor and internal auditor, adequacy of internal control systems and recommending improvements to the management.
- c. Recommending the appointment / removal of the statutory auditor, fixing audit fees and approving non audit, consulting services provided by the firms of statutory auditors to the Company evaluating auditors performance, qualifications and independence.
- d. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
- e. Discussing with the internal auditor and senior management, significant internal audit findings and follow-up thereon.
- f. Reviewing the findings of any internal investigation by the internal auditor into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
- g. Discussing with the external auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
- h. Reviewing the Company's financial and risk management policies.
- i. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- j. Initiating investigations into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The minutes of the Audit Committee meetings form part of Board papers circulated for Board meetings. In addition, the Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings.

During the fiscal year ended March 31, 2010, the Committee reviewed compliance of its obligations under the Charter and confirmed that it fulfilled its duties and responsibilities. During the year under review, 5 meetings were held on 28/04/2009, 29/06/2009, 31/07/2009, 31/10/2009 and 30/01/2010.

The details of members and their attendance records at the audit committee meetings during the year under review are as follows:

S.No.	Name of Members	Status	Designation	No. of Meetings
1.	Shri Atul Kulshrestha	Member	Non Executive Non Independent Director	4
2.	Shri Krishan Chander Bajaj	Member	Non Executive Independent Director	5
3.	Shri Sumit Dutt	Member	Non Executive Independent Director	2
4.	Shri Burra Aditya Shastri	Member	Non Executive Independent Director	2
5.	Dr. Virender Kumar Jain*	Member	Non Executive Independent Director	3

* Resigned w.e.f.07.08.2009

All the members of the Audit committee are Non -Executive Independent directors except Shri Atul Kulshrestha who is Non-Executive Non-Independent Director. All these Directors are having sufficient knowledge of corporate finance, accounts and company law matters. The Statutory Auditors and the Internal Auditors are also invited in the meetings of Committee. The Company Secretary acts as the Secretary of the Committee.

B. INVESTORS' GRIEVANCE COMMITTEE

The Committee has been reconstituted to specifically look into redressal of shareholders and investors' grievances such as transfer of shares, dividend and dematerialization related matters. The Committee comprises of four Directors.

During the year under review, 2 meetings were held on 29/06/2009 and 30/01/2010

The details of members and their attendance record at Investor Grievance Committee meeting during the year under review are as under-

S. No.	Name of Members	No. of Meetings Attended
1.	Shri Anil Bhalla	2
2.	Shri Atul Kulshrestha	2
3.	Shri Krishan Chander Bajaj **	1
4.	Dr. Virender Kumar Jain*	1

* Resigned w.e.f.07.08.2009

** Became member w.e.f.07.08.2009

C. REMUNERATION COMMITTEE

The Remuneration Committee of the Company presently comprises of three Non-Executive Independent Directors. The Remuneration Committee has the powers to determine and recommend to the Board of the remuneration payable to Executive Directors.

During the financial year 2009-2010 not a single meeting of the committee was held. The member of Remuneration Committee meeting as on 31st March 2010 is as under:

S. No.	Name of Members
1	Shri Krishan Chander Bajaj
2	Shri Burra Aditya Shastri
3.	Shri Sumit Dutt
4.	Dr. Virender Kumar Jain*

* Resigned w.e.f.07.08.2009

The Company has no pecuniary relationship or transaction with its Non-Executive Independent Directors, other than payment of sitting fee for attending Board and Committee Meetings plus reimbursement of related actual travel and out of pocket expenses.

The remuneration paid to Executive Directors is within the limits as laid down under the provisions of the Companies Act, 1956. The Company does not have any incentive plan linked to performance or achievement of the Company's Objectives. There is no stock option scheme for any of the Directors or Employees of the Company.

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

Remuneration Policy

Subject to the approval of the Board of Directors and the subsequent approval by the shareholders at the General Body Meeting and such authorities as the case may be, the Remuneration Committee fixes remuneration of the Managing/Whole-time Directors. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises basic salary, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 1956. The non-executive Directors have not drawn any remuneration from the Company except sitting fee for meetings of the Board and Committees attended by them.

Details of remuneration/sitting fees paid to Directors of the Company during the financial year ended March 31, 2010 are given below

Rs.In Lacs

S. No.	Name of the Directors	Salary	Company's Contribution to Provident Fund	Allowances/ Perquisites	Sitting fee for attending Board/Committee meetings
1	Shri Abhey Kumar Oswal	300	36.00	110.13	–
2	Shri Anil Bhalla	120	14.40	30.80	–
3	Dr. Virender Kumar Jain*	–	–	–	0.35
4	Shri Krishan Chander Bajaj	–	–	–	0.60
5	Shri Burra Aditya Shastri	–	–	–	0.20
6	Shri Sumit Dutt	–	–	–	0.20

* Resigned w.e.f. 07.08.2009

4. SUBSIDIARY COMPANY:

The company promoted M/S Oswal Engineering Ltd in UAE as wholly owned subsidiary. The company's other subsidiary M/s Universal Projects FZE is already in business at UAE. This subsidiary company is actively negotiating to acquire raw materials to set up a phosphoric fertilizer plant at Syria.

5. SHAREHOLDERS COMPLAINTS

No. of complaints received during 01.04.2009 to 31.03.2010	No. of complaints resolved to the satisfaction of shareholders	No. of pending transfer of shares
71	70*	NIL**

* Pending complaints were redressed during the month of April/May 2010.

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

6. ANNUAL GENERAL MEETINGS:

Particulars	Date & Time	Venue	No of Special Resolutions Passed
2006-2007	29.09.2007 10.00 A.M.	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)	NIL
2007-2008	29.09.2008 10.00 A.M.	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)	For change of name of the company u/s 21 which was subsequently dropped
2008-2009	30.09.2009 11.00 A.M.	Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana-141003 (Punjab)	1.Paid minimum- remuneration to Shri Abhey Kumar Oswal, Managing Director of the Company in the absence of or inadequacy of profit in any financial year w.e.f. 1st December, 2006 2.Paid minimum- remuneration to Shri Anil Bhalla Whole Time Director of the Company in the absence of or inadequacy of profit in any financial year w.e.f.1st December, 2006 3.Paid minimum- remuneration to Shri Rajesh Bhatia, Director (Finance) of the Company in the absence of or inadequacy of profit in any financial year w.e.f.1st January, 2008

7. POSTAL BALLOT:

There was no resolution passed through postal ballots during the period under review.

8. DISCLOSURES:

- (i) None of the transactions with any of the related parties were in conflict with the interests of the Company. Attention of members is drawn to the disclosures of transactions with the related parties set out in Notes to Accounts Schedule (XX), forming part of the Annual Report.
- (ii) During the last three years the company has not made any non compliance, no penalties were levied, no structure imposed on the company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets.
- (iii) There is no accounting treatment different from the prescribed Accounting Standards.
- (iv) Presently, the Company does not have a Whistle Blower policy. However, all employees have access to Audit Committee.
- (v) The Company has complied with all mandatory requirements under clause - 49 of Listing Agreement with Stock Exchanges on Corporate Governance. As regards the non-mandatory requirements, the Company tries to comply to the extent possible.

9. CEO/CFO CERTIFICATE

The Managing Director of the Company has furnished the requisite certificate to the Board of Directors under revised Clause 49 of the listing agreement.

10. MEANS OF COMMUNICATION

The Company published its quarterly results in Ajit (Punjabi Edition) in the State of Punjab and The Pioneer (English Edition) in Delhi/New Delhi. Company has also displays its quarterly results and significant corporate information on its website www.oswalfert.com

11. CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct for Directors & Senior Management. The said code has been confirmed by all the Directors and members of the senior management . The Code has also been posted on the Company website.

12. BRIEF RESUME OF DIRECTORS TO BE APPOINTED/RE-APPOINTED

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

13. GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting is propose to be held

Date	:	30th September, 2010
Day	:	Thursday
Venue	:	Near Jain Colony, Vijayinder Nagar, Daba Road, Ludhiana (Punjab)
Book Closure Date	:	24th September, 2010 to 30th September, 2010 (both days Inclusive)
Dividend Payment	:	The directors have not proposed any dividend for the financial year ended 31st March, 2010.

14. (a) FINANCIAL CALENDAR

Unaudited Financial Results For the quarter ended	Tentative Dates
30.06.2010	2nd Week of Aug , 2010
30.09.2010	2nd Week of Nov, 2010
31.12.2010	2nd Week of Feb, 2011
31.03.2011	2nd Week of May, 2011/ 4th Week of May, 2011.
Next Annual General Meeting	Last week of September, 2011

(b) Shares of the Company are listed on the following Stock Exchanges:

S. No.	Name of the Stock Exchange	Stock Code No. of Company Shares
1	National Stock Exchange of India Ltd., Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051	Bindal Agro
2*	The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700001	10025044
3*	The Stock Exchange Ahmedabad, Kamdhenu Complex Opp. Shahjanand College, Panjarapole, Ahmedabad - 380015	Not Available

Annual Listing fees upto 2010-2011 was paid to the National Stock Exchange of India Ltd, Mumbai.

* Application for delisting of securities of the Company are still pending with Calcutta & Ahemdabad Stock Exchanges. Annual Listing Fees have not been paid to these Stock Exchanges.

(c) MARKET PRICE DATA

Month	National Stock Exchange of India Ltd.	
	HIGH (Rs.)	LOW (Rs.)
April, 2009	15.30	10.70
May, 2009	23.00	12.60
June, 2009	29.15	19.50
July, 2009	23.40	16.20
August, 2009	21.20	17.35
September, 2009	22.75	19.00
October, 2009	22.20	16.75
November, 2009	19.50	15.80
December, 2009	22.45	17.50
January, 2010	24.15	18.35
February, 2010	20.95	17.70
March, 2010	18.80	16.05

(d) REGISTRAR & SHARE TRANSFER AGENT

M/S Skyline Financial Services Pvt. Ltd., D-153/ A, Okhla Industrial Area, Phase-I, New Delhi-110020
Ph. No.: 26812682, 26812683, Fax No.: 26292681 E-mail: viren@skylinerta.com, Website: www.skylinerta.com

(e) COMPLIANCE OFFICER

Mr. H.K. Gupta, Company Secretary is the Compliance officer. E-mail: hkgupta@oswalfert.com

(f) SHARE TRANSFER SYSTEM

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

(g) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010

No. of Shares	No. of Shares held	%	No. of Shareholders	%
1 - 500	37826807	14.73	246388	92.09
501 - 1000	10122520	3.94	13092	4.89
1001 - 2000	6748952	2.63	4466	1.67
2001 - 3000	3312158	1.29	1272	0.48
3001 - 4000	1794658	0.70	488	0.18
4001 - 5000	2725530	1.06	565	0.21
5001 -10000	5396102	2.10	705	0.26
10001 and above	188882432	73.55	580	0.22
TOTAL	256809159	100.00	267556	100.00

(h) SHAREHOLDING PATTERN AS ON 31.03.2010

Category	No. of Shares	%age of holding
A Promoters and Associates	153525936	59.78
B Banks, Financial Institutions and Mutual Funds	92952	0.04
C Indian Public	101074057	39.36
D NRI/OCB/FIIS	2116214	0.82
Total	25,68,09,159	100.00

(i) DEMATERIALISATION OF SHARES

The equity shares of the company fall under the category of compulsory demat form for all the investors. The company provides facilities for simultaneous transfer and dematerialisation of shares to its investors through its Registrar & Share Transfer Agent. About 89.27 % (229263292 Shares) of the Equity Share Capital of the company has been dematted till 31.03.2010. The shares of the Company are traded in Demat mode under ISIN Number INE143A01010.

(j) PLANT LOCATIONS

The plants of the company at Bhopal and Dewas and are non-operational.

(k) OUTSTANDING GDRS/ADRS WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

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

(l) DETAILS OF PUBLIC FUNDING OBTAINED IN LAST THREE YEARS

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

(m) ADDRESS FOR INVESTORS' CORRESPONDENCE

1. **OSWAL CHEMICALS & FERTILIZERS LTD.**, 7th Floor, Antriksh Bhawan,
22, K.G.Marg, New Delhi - 110001, Phone Nos. +91 11- 23715242 / 23322980.
Fax No. +11 91 23716276, E-mail: hkgupta@oswalfert.com
2. **SKYLINE FINANCIAL SERVICES PVT. LTD.** (Registrar & Shares Transfer Agent)
D-153/ A, Okhla Industrial Area, Phase-I, New Delhi-110020
Ph: 26812682, 26812683, Fax: 26292681 E-mail: viren@skylinerta.com

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

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I Abhey Kumar Oswal, Chairman & Managing Director of Oswal Chemicals & Fertilizers Ltd, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the Financial Year ended on 31st March, 2010.

Place : New Delhi
Date : 12.08.2010

ABHEY KUMAR OSWAL
CHAIRMAN & MANAGING DIRECTOR

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

To

The Members

Oswal Chemicals & Fertilizers Limited

I have reviewed the compliance of conditions of Corporate Governance by Oswal Chemicals & Fertilizers Limited for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement, of the said Company with the Stock Exchanges in India. I have conducted my review on the basis of the relevant records and documents maintained by the Company for the year ended 31st March, 2010 and furnished to me for the purpose of the review and the information and explanations given to me by the Company during the course of such review. The compliance of conditions of Corporate Governance is the responsibility of the Management. My review was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanation given to us, I certify that the Company has complied with the Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I 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: New Delhi
Date: 12.08.2010

ANIL KUMAR NANDWANI
COMPANY SECRETARY IN PRACTICE
C.P. No. 3107

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL STRUCTURE & DEVELOPMENTS:

During the year also the real estate sector was mainly effected sector in the global meltdown. The Company suffered losses despite the company adopting a very cautious approach towards the real estate sector. The general economic conditions have already started showing signs of recovery, specially in the fertilizer sector where the increasing demand from farmers and change in Govt. policy have made this sector quite attractive. Your company is trying to explore the possibility of setting up a manufacturing facility in a country where the raw material for the manufacture of Phosphoric Fertilizer is available. The demand for the phosphoric fertilizers in the country has seen an increasing pattern over the last five years and India is net importer of phosphoric fertilizer. The past experience of your company proves that the manufacturing facility for the Phosphoric Fertilizer must remain close to the source of the raw material.

The management is sure that it will be able to sign up an understanding with the Govt. of Syria to set up a manufacturing facility of phosphoric fertilizer at Syria, which will enhance the profitability of the company drastically.

SEGMENTWISE PERFORMANCE:

At present, the company is operating in the business of Real Estate, Investment activities, Fertilizer and trading in shares/commodities/Goods as separate Business Segments.

Segment-wise revenue, results and capital employed for the financial year ended 31.03.2010 and 31.03.2009 are given in Schedule XX forming part of Annual Report.

The company promoted M/s Oswal Engineering Ltd. in UAE as a Wholly Owned Subsidiary. The company's other subsidiary M/s Universal Projects FZE is already in business at UAE.

HUMAN RELATIONS:

The Company is being managed by a team of able and experienced employees . The total strength of the employees stands at close to 89. The human relations of employees and employers were cordial during the year.

INTERNAL CONTROL SYSTEMS:

Company has proper and adequate internal control systems, which are commensurate with the size and nature of business. These systems are regularly reviewed to ensure then adequacy and efficacy. The observations and shortcomings pointed out by the auditors are discussed at the Audit Committee and Board of Directors Meetings and the suggestions are implemented in right earnest. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the various control systems and procedures.

RISKS AND CONCERNS:

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including inter alia, market risk, competition risk, interest rate volatility, human resource risk, execution risk and any significant downturn in the economic cycle. It is the endeavor of the management that the profitability of the Company is insulated to the extent possible from all the above risks by taking appropriate steps for mitigating the risks in a proper manner.

OPPORTUNITY AND OUTLOOK:

The Company sees a huge potential and opportunity in the fertilizer sector and specially in phosphoric fertilizers the consumption of which is ever increasing. The possible tie up with the Govt. of Syria of setting up a manufacturing unit of the same at Syria will open many opportunity for the company in India and abroad.

RISK MANAGEMENT:

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

AUDITORS' REPORT

To the Shareholders of Oswal Chemicals & Fertilizers Limited

1. We have audited the attached Balance Sheet of Oswal Chemicals & Fertilizers Limited as at March 31, 2010, the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account have been kept by the company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with in this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211 (3C) of the 'Act';
 - (e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) to Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement, together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the 'Act', and subject to our comments in paragraphs 5.1 to 5.4 below, give respectively, a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (b) in the case of the Profit & Loss Account, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 5.1 *Note no. 3(a) of Schedule XX regarding non-confirmation/non-reconciliation of certain debit/credit balances. Consequential revenue impact, if any, is not ascertainable.*
- 5.2 *Note no.3(b) of Schedule XX regarding non provision for debtors amounting to Rs. 117.17 lacs against which legal cases have been filed by the company*
- 5.3 *Note no. 4(b) of Schedule XX regarding managerial remuneration amounting to Rs. 611.33 lacs paid to directors for the current year and managerial remuneration for the previous year(s) is subject to necessary approvals from Central Government.*
- 5.4 *Note no 13 of Schedule XX regarding contribution amounting to Rs.1,313.51 lacs for charitable purpose in excess of limit approved by shareholders is subject to the approval of the shareholders..*

We further report that without considering our comments in paragraph 5.1 above the impact of which we are unable to quantify and our comments in paragraph 5.3 and 5.4 above being legal matters and after considering adjustments arising on account of our comments in paragraph 5.2 above, the loss after tax would change to Rs 1,300.46 lacs as against Rs. 1,183.29 lacs as shown in the Profit & Loss Account. Consequently, net current assets would change to Rs. 121,975.91 lacs as against Rs 122,093.08 lacs and debit balance in Profit & Loss account would change to Rs 31,800.89 lacs as against Rs. 31,683.72 lacs as shown in the Balance Sheet.

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

(Surender Kumar)
Partner
M. No. 82982

Place: New Delhi
Dated: 4th September, 2010

ANNEXURE TO AUDITORS' REPORT

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

- i)
 - a) The Company has maintained proper records other than for closed units, office equipments and furniture & fixtures to show full particulars including quantitative details and situation of its fixed assets.
 - b) According to the explanations given to us, all the fixed assets other than for closed units, office equipments and furniture & fixtures have been verified by the management at the year end, which in our opinion is considered reasonable having regard to the size of the company and the nature of its business and no material discrepancy was noticed on such verification as compared to book records.
 - c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed of by the Company during the year.
- ii)
 - a) The inventory (excluding stocks with third parties aggregating Rs. 280.22 lacs) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. No material discrepancy has been noticed on physical verification of inventory as compared to book records.
- iii)
 - a) The Company has granted unsecured loan amounting to Rs. 309.52 lacs (Maximum Balance Outstanding Rs. 288.09 lacs) during the year to one company covered in the register maintained under Section 301 of the Act.
 - b) The rate of interest and other terms and conditions of loan given are not prime facie prejudicial to the interest of the company.
 - c) In respect of aforesaid loan, the party is repaying the principal amount as stipulated and is also regular in payment of interest, where applicable.
 - d) In respect of aforesaid loan, there is no overdue amount more than Rs. one lac.
 - e) The Company has taken unsecured loan amounting to Rs 526.76 lacs (Maximum Balance Outstanding Rs. 459.25 lacs) during the year from one company covered in the register maintained under Section 301 of the Act.
 - f) The rate of interest and other terms and conditions of loan taken are not prime facie prejudicial to the interest of the company.
 - g) In respect of aforesaid loan, the company is repaying the principal amount as stipulated and is also regular in payment of interest, where applicable.
- iv) In our opinion and according to the information and explanations given to us, in general, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses, if any, in the aforesaid internal control procedures.
- v)
 - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Act, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Rules framed there under.
- vii) In our opinion, the Company's present internal audit system is generally commensurate with its size and nature of its business.
- viii) The company is not engaged in any manufacturing or other activity requiring maintenance of cost records U/s 209(1)(d) of the Companies Act, 1956.
- ix)
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, customs duty, service tax, excise duty and other material statutory dues as applicable, with the appropriate authorities. (6 month)
 - b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales-tax, income-tax, customs duty, service tax, wealth tax, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows -

Name of Statute	Nature of Dues	Disputed Liabilities (Rs. in lac)	Period to which the amount relates	Forum where the dispute is pending
Uttanchal Trade Tax Act	Sales Tax	0.37	Financial Year 2002-2003	Joint Commissioner
UP Trade Tax Act	Sales Tax	1,048.86	Financial Year 2004-2005	High Court, Allahabad (UP)
Sales Tax Bhopal	Sales Tax	1,154.02	Financial Year 1987-88, 1992-1993, 1991-92, 1993-94	High Court, Jabalpur (MP)
Sales Tax Bhopal	Sales Tax	903.88	Financial Year 1987-88, 1988-89, 1989-90, 1992-93 1994-95	Assistant Commissioner, Bhopal
Central Sales Tax Act	Central Sales Tax	32.95	Financial Year 1998-1999	Commissioner of Commercial Taxes, Cuttack, Orissa
Central Sales Tax Act	Central Sales Tax	451.31	Financial Year 2001-2002	Assistant Commissioner of Sales Tax, Cuttack, Orissa
Central Sales Tax Act	Central Sales Tax	4,849.53	Financial Year 2004-2005	Sales Tax Tribunal, Cuttack, Orissa
Orissa Sales Act 1947	Sales Tax	21.93	Financial Year 1999-2000	Assistant Commissioner of Sales Tax, Cuttack, Orissa
Orissa Sales Act 1947	Sales Tax	44.50	Financial Year 2000-2001	Assistant Commissioner of Sales Tax, Cuttack, Orissa
Rajasthan Sales Tax Act	Sales Tax	37.37	Financial Year 2003-2004	Deputy Commissioner of Commercial Tax, Rajasthan
Orissa Sales Act 1947	Sales Tax	900.31	Financial Year 2001-2002	Sales Tax Tribunal, Cuttack, Orissa
Orissa Sales Act 1947	Sales Tax	56.03	Financial Year 2002-2003	Assistant Commissioner of Sales Tax, Cuttack, Orissa
Orissa Sales Act 1947	Sales Tax	7.10	Financial Year 2003-2004	Sales Tax Officer, Cuttack, Orissa
Service Tax Act	Service Tax	52.44	16.11.1997 to 01.06.1998	Service Tax Authorities
Service Tax Act	Service Tax	1.31	16.11.1997 to 01.06.1998	Service Tax Authorities
Orissa Sales Act 1947	Sales Tax	6.75	Financial Year 2003-2004	Assistant Commissioner of Sales Tax, Cuttack, Orissa
Orissa Sales Act 1947	Sales Tax	6.46	Financial Year 2004-2005	Assistant Commissioner of Sales Tax, Cuttack, Orissa
UP Trade Tax Act	Sales Tax	1547.80	Financial Year 2005-2006	Sales Tax Tribunal, Bareilly (UP)
Orissa Sales Act 1947	Sales Tax	2.50	Financial Year 1999-00, 2000-01, 2002-03	High Court, Allahabad (UP)

- x) The accumulated losses of the Company as at March 31, 2010 are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year ended on that date. The company has not incurred cash losses in the immediately preceding financial year.
- xi) According to the information and explanation given to us the company has not defaulted in repayment of dues to the banks. The company does not have any loan from any financial institution and has not issued any debentures.
- xii) According to the information and explanations given to us and the records of the Company examined by us, in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, adequate documents and records have been maintained by the company.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company is trading in shares, securities, and other investments. The company is maintaining separate records of the transactions and contracts and making timely entries therein. These shares and other securities are held by the company in its own name.

- xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) The Company has not obtained any term loans during the year.
- xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year and accordingly, no securities have been created.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

(Surender Kumar)
Partner
M. No. 82982

Place: New Delhi
Dated: 4th September, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. In Lacs)

Particulars	Schedule No.	As At 31.03.2010	As At 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	I	25,680.92	25,680.92
Reserves & Surplus	II	191,322.07	191,322.07
		217,002.99	217,002.99
Unsecured Loans	III	295.16	83.68
Total		217,298.15	217,086.67
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	IV	14,470.59	14,179.36
Less: Depreciation		12,026.31	11,886.69
Net Block		2,444.28	2,292.67
Investments	V	61,077.07	2,043.97
Current Assets, Loans & Advances			
- Inventories	VI	12,845.37	15,800.35
- Sundry Debtors	VII	14,129.16	21,903.90
- Cash & Bank Balances	VIII	16,061.05	19,226.06
- Loans & Advances	IX	88,721.63	135,120.25
		131,757.21	192,050.56
Less: Current Liabilities & Provisions			
Current Liabilities	X	9,477.61	9,649.62
Provisions	XI	186.52	151.34
		9,664.13	9,800.96
Net Current Assets		122,093.08	182,249.60
Profit & Loss Account		31,683.72	30,500.43
Total		217,298.15	217,086.67
Significant Accounting Policies & Notes to the Accounts XX			

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

Surender Kumar
 Partner
 Membership No.082982
 For and on behalf of
 T.R.CHADHA & CO.
 (Firm Registration No. 006711N)
 Chartered Accountants

Place : New Delhi
 Date : 4th September, 2010

H K Gupta
 Company Secretary

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

For and on behalf of the Board

Anil Bhalla
 Director
 DIN No. 00587533

Abhey Oswal
 Chairman & Managing
 Director
 DIN No. 00589130

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Schedule No.	(Rs. In Lacs)	
		For The Year Ended 31.03.2010	For The Year Ended 31.3.2009
Income			
Sales & Other Buisness Income	XII	13,809.17	13,909.01
Other Income	XIII	147.65	1,416.09
		13,956.82	15,325.10
Expenditure			
Purchase		4,978.43	1,376.13
Employees' Cost	XIV	943.99	843.91
Selling Expenses	XV	168.55	59.82
Finance Expenses	XVI	64.74	19.70
Balance Written Off		-	4,000.00
Loss in Real Estate Business		2,500.00	2,500.00
Depreciation	IV	139.62	137.92
Administration Expenses	XVII	3,349.90	1,715.83
(Increase)/Decrease in Stock of Finished Goods/ Work in Progress	XVIII	2,954.98	1,966.67
Total		15,100.21	12,619.98
Profit/(Loss) before Prior Period Adjustments and Taxation		(1,143.39)	2,705.12
Prior Period Adjustments	XIX	33.64	(22.72)
Profit/(Loss) Before Taxation		(1,177.03)	2,727.84
Current Tax		-	310.00
Fringe Benefits Tax		-	31.67
Fringe Benefits Tax for Previous Years		6.26	-
Profit/(Loss) After Taxation		(1,183.29)	2,386.17
Profit/(Loss) Brought Forward from Previous Year		(30,500.43)	(32,886.60)
Balance Carried over to Balance Sheet		(31,683.72)	(30,500.43)
Earning Per Share (Nominal Value of Rs.10 Each)			
Basic / Diluted (Note 9 on Schedule XX)		(0.46)	0.93
Significant Accounting Policies and Notes to the Accounts	XX		

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

Surender Kumar
Partner
Membership No.082982
For and on behalf of
T.R.CHADHA & CO.
(Firm Registration No. 006711N)
Chartered Accountants

Place : New Delhi
Date : 4th September, 2010

H K Gupta
Company Secretary

The Schedules referred to above form an integral part of the
Profit & Loss Account

For and on behalf of the Board

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman & Managing
Director
DIN No. 00589130

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	(Rs. In Lacs)	
	Year Ended March 31,2010	Year Ended March 31,2009
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	(1,177.03)	2,727.84
Adjustments for:		
Depreciation	139.62	137.92
Finance Expense	64.74	19.70
Interest Income	(123.36)	(224.65)
(Profit)/Loss on sale/write off of Fixed Assets	-	(0.03)
Balance written off	-	4,000.00
Liability no longer required written back	(2.30)	(0.12)
Unrealised Foreign Exchange Fluctuation	89.53	(11.56)
Provision for Gratuity & Leave Encashment	34.86	13.41
Prior Period Expenses/(Income) (Net)	33.64	(22.72)
Wealth Tax Provision	4.16	3.20
Operating profit before working capital changes	(936.14)	6,642.99
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	7,679.90	5,865.22
- (Increase)/Decrease in Other Receivables	46,090.46	(24,265.65)
- (Increase)/Decrease in Inventories	2,954.98	1,966.67
- Increase/(Decrease) in Trade and Other Payables	(161.43)	(2,502.77)
	56,563.91	(18,936.53)
Cash generated from operations	55,627.77	(12,293.54)
- Prior Period (Expenses)/Income (Net)	(33.64)	22.72
- Wealth Tax Paid	(3.20)	(3.55)
- Taxes (Payment) / Refund	298.29	(1,796.10)
Net cash from operating activities	55,889.22	(14,070.47)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(291.23)	(35.66)
Proceeds from Sale/return of fixed assets/Capital work in progress	-	0.20
(Purchase)/Sale of investments (Net)	(59,033.10)	12,736.19
Interest Received (Revenue)	123.36	224.65
Net cash used in/from investing activities	(59,200.97)	12,925.38
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(repayment) of Unsecured loans	211.48	(1,729.55)
Proceeds (Repayments) from short term borrowings/cash credit receipts	-	-
Finance Expense Paid	(64.74)	(19.70)
Net cash used in financing activities	146.74	(1,749.25)
Net Increase/(Decrease) in Cash & Cash Equivalents	(3,165.01)	(2,894.34)
Cash and cash equivalents at the beginning of the year	19,226.06	22,120.40
Cash and cash equivalents at the close of the year	16,061.05	19,226.06

Notes :

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.
- Cash and cash equivalents include Rs. Nil (Previous Year Rs. 147.86 lacs) against the margin money for Bank guarantees and Rs. 14349.94 lacs (Previous Year Rs. 13115.12 lacs) held in Escrow account
- Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's presentation.

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

Notes to Accounts (Schedule XX) form an integral part of the Cash Flow Statement

For and on behalf of the Board

Surender Kumar
 Partner
 Membership No.082982
 For and on behalf of
 T.R.CHADHA & CO.
 (Firm Registration No. 006711N)
 Chartered Accountants

H K Gupta
 Company Secretary

Anil Bhalla
 Director
 DIN No. 00587533

Abhey Kumar Oswal
 Chairman & Managing
 Director
 DIN No. 00589130

Place : New Delhi
 Date : 4th September, 2010

SCHEDULES TO ACCOUNTS

	(Rs. In Lacs)	
SCHEDULE I : SHARE CAPITAL	As At 31.03.2010	As At 31.03.2009
Authorised:		
1,000,000,000 (Previous Year 1,000,000,000) Equity Shares of Rs. 10/- each	100,000.00	100,000.00
12,500,000 (Previous year 12,500,000) 0.0 % Optional convertible Preference Shares of Rs. 100/- each	12,500.00	12,500.00
23,000,000 (Previous year 23,000,000) 0.01 % Optional convertible Cummulative Redeemable Preference Shares of Rs 100/- each	23,000.00	23,000.00
27,500,000 (Previous Year 27,500,000) Redeemable preference Shares of Rs.100/-each	27,500.00	27,500.00
	163,000.00	163,000.00
Issued Subscribed & Paid Up:		
256,809,159 (Previous Year 256,809,159) Equity Shares of Rs.10/- each fully paid up	25,680.92	25,680.92
Total	25,680.92	25,680.92

SCHEDULE II : RESERVES & SURPLUS

Share Premium	44,252.89	44,252.89
Capital Redemption Reserve	29,860.00	29,860.00
General Reserve	117,209.18	117,209.18
Total	191,322.07	191,322.07

SCHEDULE III : UNSECURED LOAN

Oswal Agro Mills Ltd.*	295.16	83.68
Total	295.16	83.68

*Loan repayable within one year Rs. 295.16 Lacs (Previous Year Rs. Nil)

SCHEDULES (Contd...)

SCHEDULE IV : FIXED ASSETS

(Rs in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As At 1.04.2009	Additions During the Year	Sale/Adju- stment During the Year	As At 31.03.2010	Upto 1.04.2009	For the Year	Written Back During the Year	Upto 31.03.2010	As At 31.03.2010	As At 31.03.2009
Land*										
- Leasehold	104.45	-	-	104.45	2.28	0.11	-	2.39	102.06	102.17
- Freehold	335.61	-	-	335.61	-	-	-	-	335.61	335.61
- Site Development Buildings	472.43	-	-	472.43	44.99	5.63	-	50.62	421.81	427.44
- Leasehold	30.68	-	-	30.68	14.38	0.50	-	14.88	15.80	16.30
- Freehold	1,967.05	-	-	1,967.05	951.13	51.72	-	1,002.85	964.20	1,015.92
Plant & Machinery	293.69	61.21	-	354.90	253.13	7.79	-	260.92	93.98	40.56
Plant & Machinery held for disposal**	9,837.25	-	-	9,837.25	9,700.32	-	-	9,700.32	136.93	136.93
Furniture & Fixture	148.46	44.69	-	193.15	133.50	2.87	-	136.37	56.78	14.96
Vehicles	989.74	185.33	-	1,175.07	786.96	71.00	-	857.96	317.11	202.78
Total	14,179.36	291.23	-	14,470.59	11,886.69	139.62	-	12,026.31	2,444.28	2,292.67
Previous year	14,155.20	35.66	11.50	14,179.36	11,760.10	137.92	11.33	11,886.69	2,292.67	

* includes land amounting to Rs. 0.82 Lacs (Previous year Rs.0.82 Lacs) located at Mandideep, the lease deed in respect of which is yet to be executed.

** Net realisable value based on management estimate is more than the book value, hence valued at their book value

(Rs. In Lacs)

SCHEDULE V : INVESTMENTS (AT COST)

As At 31.03.2010

As At 31.03.2009

A. Long Term Investments

Bonds-Unquoted

700 No's 7.75 % Series (Previous Year 700) Bonds
of Rs.1 Lac each of West Bengal Financial Corporation

700.00

700.00

Equity Shares-Fully Paid Up - (Unquoted, Non Trade)

Investment in Wholly Owned Subsidiary Company - Universal Projects Fze
11 Equity Shares (Previous Year 11 Shares) of One Million AED

1,342.86

1,342.86

Investment in Wholly Owned Subsidiary Company - Oswal Engineering Ltd
100 Equity Shares (Previous Year 100 Shares) of 100 AED

1.11

1.11

B. Current Investments-(unquoted)

62,071,935 Units (Previous Year Nil Units) of LIC Saving Plus Fund-Growth Plan

9,026.84

-

360,070,732 Units (Previous Year Nil Units) of Canara Robeco Treasury

50,006.26

-

Advantage Fund Super Instt-Growth Fund

Total

61,077.07

2,043.97

Aggregate Market Value of Quoted Investments

-

-

Aggregate Cost of Quoted Investments

-

-

Aggregate Cost of Un-Quoted Investments

61,077.07

2,043.97

SCHEDULE VI : INVENTORIES

(As taken Valued and Certified by the Management)

Finished Goods	379.13	379.13
Trading Goods	5.79	535.03
Plots/Land	12,460.45	9,785.45
Flats	-	5,100.74
Total	12,845.37	15,800.35

SCHEDULE VII : SUNDRY DEBTORS

(CONSIDERED GOOD UNLESS OTHERWISE STATED)

Over Six Months

Secured

0.40

0.40

Unsecured

9,378.23

18,442.53

Debts Considered Doubtful

25.00

25.00

Others

Secured

-

-

Unsecured

4,750.53

3,460.97

Less Provision For Doubtful Debts / Claims

(25.00)

(25.00)

Total

14,129.16

21,903.90

SCHEDULES (Contd...)

(Rs. In Lacs)

SCHEDULE VIII : CASH & BANK BALANCES	As At 31.03.2010	As At 31.03.2009
Cash & Cheques In Hand Including Postage Imprest	13.15	9.34
Balances with Scheduled Banks :		
- Current Accounts	1,696.72	1,453.74
- Fixed Deposits *	14,351.18	17,762.98
Total	16,061.05	19,226.06

*Includes Fixed Deposits Pledged against Bank Guarantees and Letters of Credit Rs. Nil (Previous Year Rs. 147.86 Lacs), and Rs. 14,349.94 Lacs (Previous Year 13,115.12 Lacs) held in Escrow Account Jointly with Kribhco Shyam Fertilizers Ltd.

SCHEDULE IX : LOANS & ADVANCES

(Unsecured and Considered Good unless otherwise Stated)

Advances Recoverable in Cash or in kind or for Value to be Received	85,535.88	130,884.10
(Includes Share Application Money of Rs. 74.75 Lacs (Previous Year Rs.74.75 Lacs) given to Subsidiary Companies		
Less: Provision for Doubtful Advances	(96.31)	(96.31)
Interest Accrued but not due on Deposits	688.57	1,433.67
Balance with Central Excise Etc.	15.29	15.29
Security Deposits	99.77	99.88
Advance Tax (Net of Provisions of Rs. 2,930.00 Lacs, Previous Year Rs. 2,930.00 Lacs)	2,478.43	2,783.62
Total	88,721.63	135,120.25

SCHEDULE X : CURRENT LIABILITIES

Sundry Creditors	700.40	942.11
Advances from Customers	402.03	440.18
Other Liabilities	8,375.18	8,267.33
Total	9,477.61	9,649.62

SCHEDULE XI : PROVISIONS

Gratuity	65.69	50.96
Leave with Wages	115.17	95.04
Wealth Tax	5.66	4.70
Fringe Benefit Tax	-	0.64
Total	186.52	151.34

SCHEDULES (Contd...)

	(Rs. In Lacs)	
SCHEDULE XII : SALES AND OTHER BUISNESS INCOME	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
Interest on Bonds - Gross (TDS Rs Nil Lacs, Previous Year Nil Lacs)	54.25	54.25
Interest on LCD's - Gross (TDS Rs 460.87 Lacs, Previous Year Rs.1,836.74 Lacs)	2,251.30	8,105.66
Interest on FDR's - Gross (TDS Rs 199.82 Lacs, Previous Year Rs.105.55 Lacs)	1,134.24	1,695.52
Sale of Flats	5,091.74	-
Sale of Plots	-	2,501.70
Sales Export	3,054.77	959.27
Income from Share/Mutual Funds/Bonds Trading	2,222.87	597.99
Profit/(Loss) on Commodities Derivatives	-	(5.38)
Income from Derivatives	-	-
Total	13,809.17	13,909.01
SCHEDULE XIII : OTHER INCOME		
Profit on Sale of Assets	-	0.03
Interest Others - Gross (TDS Rs. Nil Lacs Previous Year Rs. Nil Lacs)	123.36	224.65
Provision no Longer Required Written Back	2.30	0.12
Miscellaneous Income	21.99	1,191.29
Total	147.65	1,416.09
SCHEDULE XIV : EMPLOYEES' COST		
Salaries Wages Bonus and other Allowances	864.00	778.00
Contribution to Provident Fund & Employees State Insurance	70.53	63.75
Welfare Expenses	9.46	2.16
Total	943.99	843.91
SCHEDULE XV : SELLING EXPENSES		
Freight & Handling Charges	168.44	58.41
Others	0.11	1.41
Total	168.55	59.82
SCHEDULE XVI : FINANCE EXPENSES		
Interest	60.94	15.65
Bank Charges	3.80	4.05
Total	64.74	19.70
SCHEDULE XVII : ADMINISTRATION EXPENSES		
Rent	256.36	234.30
Rates & Taxes	25.18	15.32
Insurance	3.32	2.55
Foreign Exchange Fluctuation	402.17	(15.34)
Repairs - Building	284.83	35.33
- Others	10.72	10.83
Consultation & Professional Fee	196.93	312.49
Donation	1,552.29	459.91
Other General Expenses	618.10	660.44
Total	3,349.90	1,715.83

SCHEDULES (Contd...)

	(Rs. In Lacs)	
SCHEDULE XVIII : ADJUSTMENT DUE TO (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
Opening Stock		
Finished Goods	379.13	379.13
Trading Goods	535.03	-
Plots/Land	9,785.45	12,287.15
Flats	5,100.74	5,100.74
	15,800.35	17,767.02
Less: Closing Stock		
Finished Goods	379.13	379.13
Trading Goods	5.79	535.03
Plots/Land	12,460.45	9,785.45
Flats	-	5,100.74
	12,845.37	15,800.35
Decrease / (Increase)	2,954.98	1,966.67
SCHEDULE XIX : PRIOR PERIOD ADJUSTMENTS		
Other General Expenses	33.64	(22.72)
Total	33.64	(22.72)

SCHEDULE XX : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1) Significant Accounting Policies :

a. Accounting Convention

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

b. Fixed Assets and Depreciation

Fixed Assets

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

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

Depreciation

The Company provides for depreciation as follows:

The assets are depreciated on WDV basis at the rates provided in Schedule XIV to the Companies Act, 1956.

In case of LDPE division, the assets other than plant and machinery (valued at lower of net realisable value basis or cost) are depreciated on WDV basis at the rates provided in Schedule XIV to the Companies Act, 1956.

In case of Other Divisions, the assets are depreciated on SLM basis at the rates provided in Schedule XIV to the Companies Act, 1956.

Leasehold premium/improvement is being amortized/depreciated over the period of lease.

c. Investments

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

d. Inventories

a) Fertilizers

Finished goods are valued at cost or net realisable value, whichever is lower. Realisable value of Urea and DAP is inclusive of the Concession as notified by the Government of India. The basis of determining cost is Material Cost plus appropriate share of labour and production overheads.

b) Plots/Flats/Trading Goods

Inventories are valued at lower of cost or market value.

e. Revenue Recognition

In case of fertilizers, sales are recognised upon the transfer of significant risks and rewards of ownership to the customers. Concession on Urea under Group Pricing Scheme is recognised as per the price notified by Government of India and is subject to adjustment on

SCHEDULES (Contd...)

finalization of escalation claim on inputs as and when notified. Equated freight on urea is recognised as income on its accrual. Concession on DAP/NP is recognised at rates notified by Govt. of India from time to time.

Income/loss on purchase and sale of shares and other securities is net of brokerage, service tax, and education cess. Securities Transactions Tax to the extent not available as rebate under income tax Act, 1961 is charged directly to the Profit & Loss Account.

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

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

Export Sales is recognized at the date of bill of lading.

f. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the dates of the transactions. Liability in respect of imported materials remaining unpaid is stated at the exchange rates prevailing at the year end.

g. Employee Benefits

i. Long Term Employee Benefits

a) Defined Contribution Plans

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

b) Defined Benefit Plans

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

c) Other Long Term Employee Benefits

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

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

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

h. Taxation

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

i. Provision

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

j. Contingent Liabilities

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

k. Earnings per Share

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

l. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

Notes to accounts

2) Contingent Liabilities not provided for in respect of :

		(Rs. in Lacs)	
		Year ended March 31, 2010	Year ended March 31, 2009
(i)	a) Land reference cases filed by land owners for additional compensation (excluding interest)	84.80	84.80
	b) Disputed cost of motor vehicle purchased	9.77	51.75
	c) Demands/show cause notices received from Sales Tax department.	10322.36	8357.54
	d) Import Pass Fee for import of industrial alcohol in the State of West Bengal	42.85	42.85
	e) Other claims against the Company not acknowledged as debts	2936.99	3003.71
	f) Guarantees issued by banks	1.26	1.26
(ii)	The Government of India has raised an interest demand amounting to Rs. 10825.13 lacs (Previous Year Rs. 10825.12 lacs) on delay in refund of subsidy for VII and VIII pricing periods. The company has filed an appeal before Double Bench of Hon'ble Delhi High Court for which decision is pending. No provision has been made since in the opinion of the management, demand is not sustainable.		

SCHEDULES (Contd...)

- 3) a) Certain debit/credit balances are subject to confirmations and reconciliation. Consequential revenue impact, if any, is not ascertainable.
 b) The company has filed legal cases against debtors of Rs. 117.17 lacs (Previous Year Rs. 117.17 lacs) for recovery of outstanding amounts. No provision there against has been considered necessary, since in the opinion of the management, these debts are recoverable.

4) Directors' Remuneration:

(Rs. in Lacs)

	Year ended March 31, 2010	Year ended March 31, 2009
Salary & allowances	420.00	420.00
Contribution to Provident Fund	50.40	50.40
Perquisites	140.93	128.67
Sitting Fees	1.00	1.00
Total	612.33	600.07

- Notes: a) Provision for gratuity and provision for leave encashment have been made on a group basis and separate figures applicable to an individual employee are not available and therefore have not been considered in the above figures.
 b) The company is in the process of obtaining necessary approvals from the Central Government for the managerial remuneration paid to the directors for the current year and excess remuneration paid over the minimum remuneration, due to absence/inadequacy of profits for the relevant previous year(s).

5) Loans and Advances

	As at March 31, 2010	As at March 31, 2009
Maximum Amount due from Directors and Secretary at any time during the year	0.70	0.70

6) Auditors' Remuneration:

	Year ended March 31, 2010	Year ended March 31, 2009
Audit Fee	18.00	18.00
Certification work	0.10	0.10
Taxation Matters	0.14	Nil
Company Law Matters	2.00	Nil
Other Services	Nil	0.30
Out of Pocket Expenses (including service tax)	2.58	2.71

- 7) No Deferred Tax Asset on depreciation, retirement benefits, provision for doubtful debts/advances brought forward tax losses etc. has been recognised in view of prudence due to the fact that as at 31.03.2010 reasonable certainty of availability of sufficient future taxable income is not there.
 8) Employee cost (Schedule XIV) and Administrative expenses (Schedule XVII) are net of Rs. 37.01 Lacs (Previous Year Rs. 28.98 lacs) being estimated amount of expenses apportioned to a group company.
 9) Earning Per Share (EPS) - Numerators and Denominators used to calculate basic and diluted earning per share:

	Year ended March 31, 2010	Year ended March 31, 2009
Profit/(Loss) attributable to Equity Shareholders (Rs.)/(A)	(118,329,235)	238,616,481
Basic/Weighted average of Equity Shares outstanding during the year (B)	256,809,159	256,809,159
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning per share (Rs.) (A)/(B)	(0.46)	0.93

10) Related Party Disclosures

- (A) Related parties and transactions with them as identified by the management are given below:
- Major Shareholder
Mr. Abhey Kumar Oswal
 - Key Management Personnel and their relatives:
Mr. Anil Bhalla
Mrs. Pratibha Bhalla (Wife of Mr. Anil Bhalla)
Mr. Atul Bhalla (Son of Mr. Anil Bhalla)
 - Enterprises over which Major Shareholders, Key Management Personnel and their relatives have significant influence:-
Oswal Agro Mills Limited, Aruna Abhey Oswal Trust, Lucky Star Entertainment Limited, Atul Properties (P) Limited, Sohanaa International (P) Limited, Mohan Dai Oswal Cancer Treatment & Research Foundation.
 - Enterprises under the control of the Company.
Universal Projects FZE (Subsidiary)
Oswal Engineering Ltd, Dubai (Subsidiary)

SCHEDULES (Contd...)

(B) Transactions with Related Parties in the ordinary course of business. (Rs. in Lacs)

(a) Major Shareholders

Mr. Abhey Kumar Oswal Managerial Remuneration 446.13 433.87

(b) Key Management
Personnel & their relatives

Mr. Anil Bhalla Managerial Remuneration 165.20 165.20

Mrs. Pratibha Bhalla (Wife of Mr. Anil Bhalla) Rent Paid 3.60 3.60

Mr. Atul Bhalla (Son of Mr. Anil Bhalla) Rent Paid 3.60 3.60

(c) Enterprises over which major shareholders and key Management Personnel have significant influence

Atul Properties (P) Limited Rent paid 3.60 3.60

Oswal Agro Mills Limited Rent paid 1.20 1.20

Payments made by Company on their behalf 12.69 2.34

Payment received by company on their behalf – 0.78

Interest Received (Net) 0.01 –

Their share of common expenses 37.01 28.98

Advance Given to Company 15,238.00 7,000.00

Loan Received** 526.76 9,085.06

Loan Given 309.52 7,086.92

Balances outstanding at year end:

– Payable (Loan) 295.16 83.68

– Receivable (Advance) 5,098.00 Nil

Mohan Dai Oswal Cancer Treatment & Research Foundation

Donation 1,025.00 Nil

(d) Enterprises under the control of the Company

Universal Projects FZE (Subsidiary)

Balances outstanding at year end:

– Share Application Money Given (Net) 48.59 48.59

– Investments Outstanding 1,342.86 1,342.86

Oswal Engineering Ltd, Dubai (Subsidiary)

Balances outstanding at year end:

Share Application Money Given (Net) 26.16 26.16

– Investments Outstanding 1.11 1.11

** Loan received includes considerations of Rs. Nil (Previous Year Rs.9000.00 lacs) for assignments of Agreements to Sell to the company by the enterprise.

11) Segment

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

- (i) Fertilizers
- (ii) Investment Activities
- (iii) Trading Goods
- (iv) Real Estate

(Rs. in Lacs)

Sl. No.	Particulars	Current Year	Previous Year
1	Segment Revenue		
	Fertilizers	23.11	1191.25
	Investment Activities	4,546.54	8516.27
	Trading Goods	3054.78	959.27
	Real Estate	5091.74	2501.70
	Unallocated	1,240.65	2156.61
	Total Segment Revenue	13956.82	15325.10

SCHEDULES (Contd...)

Sl. No.	Particulars	Current Year	Previous Year
2	Segment Result		
	Fertilizers	(179.37)	1,025.32
	Investment Activities	3,610.03	7,819.88
	Trading Goods	(343.72)	59.20
	Real Estate	(2,786.42)	(6,702.07)
	Unallocated	(1,412.81)	545.21
	Less: Interest & Finance Charges	64.74	19.70
	Profit before Taxation	(1,177.03)	2,727.84
	Less; Provision for Current Tax	-	310.00
	Less: Provision for Fringe Benefit Tax	-	31.67
	Less: Fringe Benefit Tax for Previous Year	6.26	-
	Profit after Tax	(1,183.29)	2,386.17
3	Segment Assets		
	Fertilizers	10,994.98	11,030.02
	Investment Activities	85,513.76	74,113.66
	Trading Goods	2,720.55	2,499.04
	Real Estate	76,575.64	89,464.06
	Unallocated	19,473.63	19,280.42
	Total Assets	195,278.56	196,387.20
	Segment Liabilities		
	Fertilizers	6,982.70	7,015.98
	Investment Activities	927.86	828.42
	Trading Goods	57.16	143.58
	Real Estate	125.18	195.65
	Unallocated	1,866.39	1,701.01
	Total Liabilities	9,959.29	9,884.64
	Assets Acquired		
	Fertilizers	10.59	0.12
	Investment Activities	74.13	0.83
	Real Estate	21.18	0.24
	Unallocated	185.33	34.47
	Total Assets	291.23	35.66

The geographic segments identified as secondary segment are "Export" and Domestic". The required particulars are given as below:-

Particulars	Export*	Domestic*	Total*
Segment Revenue	3,054.78 (959.27)	9,661.39 (12,209.22)	12,716.17 (13,168.49)
Segment Assets	2,720.55 (2,499.04)	173,084.38 (174,607.74)	175,804.93 (177,100.78)
Assets acquired	Nil (Nil)	105.90 (1.19)	(105.90) (1.19)

*Previous year figures are given in bracket

- 12) In the opinion of the management all current assets and loan & advances as on 31st March, 2010 have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.
- 13) The contribution amounting to Rs. 1,313.51 Lacs for charitable purpose made by the company in excess of the limit approved by shareholders under section 293(i)(e) of the Companies Act, 1956 in Annual General Meeting held on 29th September, 2007 is subject to the approval of the shareholders.
- 14) Disclosures pursuant to clause 32 of the listing agreement
 - a) Loans and advances in the nature of Loans given to company in which the directors are interested:

(Rs. in lac)

Name of the Company	Balance as at 31.03.2010	Balance as at 31.03.2009	Maximum Balance during the 2009-10	Maximum Balance during the 2008-09
Oswal Agro Mills Ltd	NIL	NIL	288.09	5231.41

SCHEDULES (Contd...)

- 15) During the year the company has received refund claims of Naphtha duty of Rs. 20.81 lacs (Previous Year Rs.1,189.00 lacs) and interest of Rs.17.04 lacs (Previous Year Rs. 191.00 lacs) thereon which have been included in under the heads "Miscellaneous Income" and "Interest Others" respectively.
- 16) Balances written off / Loss in real estate business represent business losses on settlement of real estate contracts which had to be abandoned since these were not viable due to steep fall in real estate prices.
- 17) The information given in Schedule X does not include any amount which is outstanding and payable to Micro, Small and Medium Enterprises based on the information available with the company. Details as required by Schedule VI of the Companies Act,1956 is given below:-

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

- 18) Details of Foreign currency exposure not hedged by a derivative instrument or otherwise

Particulars	Denomination	Foreign Currency	Amount (Rs. in lacs)
Sundry Creditors	USD	43614 (43614)	19.77 (22.76)
Loans & Advances	USD	114126 (114126)	51.25 (59.54)
Sundry Debtors	USD	2,567,278 (1,838,579)	1,152.96 (959.27)
Loans & Advances	AED	584,130 (584165)	74.75 (74.75)
Investment	AED	11,010,000 (11010000)	1,343.97 (1,343.97)

Previous year figures are given in bracket

- 19) Employee Benefits

The Company has classified various employee benefits as under:

- a) Defined Contribution Plans

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

Employees Provident Fund including family pension fund Rs.68.38 lacs (Previous Year Rs. 62.20 lacs)

- b) Defined Benefit Plans

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

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Discounting Rate	7.50%	7.00%
Future salary Increase	5.00%	4.50%
Expected Rate of return on plan assets	NA	NA
Expected Average remaining working lives of employees in number of years	14.87	13.90

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

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Present value of obligation	65.69	50.96
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(65.69)	(50.96)

SCHEDULES (Contd..)

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

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Present value of obligation as at the beginning of the year	50.96	57.29
Interest cost	3.82	4.01
Past service cost	13.75	-
Current service cost	6.92	5.44
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	(8.82)	(1.71)
Actuarial (gain)/loss on obligation	(0.94)	(14.07)
Present value of obligation as at the end of year	65.69	50.96

iv. The amounts recognized in the statement of Profit & Loss Account for the year are as follows:

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Current service cost	6.92	5.44
Past service cost	13.75	-
Interest cost	3.82	4.01
Expected return on plan assets	-	-
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Net actuarial (gain)/ loss recognized in the year	(0.94)	(14.07)
Amount apportioned to a group company	0.59	0.12
Expenses recognized in the statement of profit & loss account	(22.96)	(4.50)

The Company expects to contribute Rs. 10.07 lacs during the next year.

20) Previous year's figures have been re-grouped/re-arranged wherever necessary to conform to the current year's presentation.

21) Additional information required under para 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 is as follows:-

A PARTICULARS OF LICENCED/REGISTERED/INSTALLED ANNUAL CAPACITIES/PRODUCTION

Class of Goods	Unit	Licenced/Registered Capacity		Installed Capacity#		Production	
		As At	As At	As At	As At	For the year ended	For the year ended
		31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
LOW DENSITY POLYETHYLENE	MT	15357	15357	13000	13000	-	-
SOLVENT EXTRACTION PLANT	MT	90000	90000	90000	90000	-	-

The installed capacities have been taken as certified by the Technical heads of the respective Plants and not verified by the Auditors, being a technical matter.

B PARTICULARS OF SHARES/MUTUAL FUNDS/BONDS

Class of Goods	Unit	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)
OPENING	Nos	-	-	86,868,494	12,736.19
PURCHASE	Nos	2,259,685,119	329,840.77	359,002,997	54,500.00
SALES	Nos	1,837,542,452	273,030.54	445,871,491	67,834.18
CLOSING	Nos	422,142,667	59,033.10	-	-

C PARTICULARS OF SALE \$

Class of Goods	Unit	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)
UREA	MT	-	-	-	-
DAP	MT	-	-	-	-
NP	MT	-	-	-	-
Machinery Equipments	Nos	74	2,912.07	31.00	949.35
Spare Parts		-	142.70	-	9.92
Plots/Land	Sqr Yrd	-	-	74,424.45	2,501.70
Flats		-	5,091.74	-	-
			8,146.51		3460.97

\$ Sales excludes wastages and losses.

SCHEDULES (Contd...)
D PARTICULARS OF PURCHASE

Class of Goods	Unit	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)
Machinery Equipments	Nos	51	2,183.52	55.00	1,359.43
Spare Parts			119.91		16.70
Plots/Land	Sqr Yrd	64,130.00	2,675.00	-	-
Flat	-	-	-	-	-
			4978.43		1376.13

E OPENING AND CLOSING STOCKS OF GOODS PRODUCED/PURCHASED

Class of Goods	Unit	As at 31.03.2010		As at 31.03.2009		As at 31.03.2008	
		Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)
UREA	MT	-	-	-	-	-	-
DAP	MT	2672.37	379.13	2,672.37	379.13	2,672.37	379.13
NP	MT	-	0.00	-	-	-	-
Machinery Equipments	Nos	1	4.54	24.00	527.42	-	-
Spare Parts			1.25		7.61		
Plots/Land	Sqr Yrd	74293.92	12460.45	10,163.92	9,785.45	84,588.37	12,287.15
Flats					5,100.74		5,100.74
			12845.37		15,800.35		17,767.02

F OTHER ADDITIONAL INFORMATION

	For the year ended 31.03.2010 Value (Rs. In lacs)	For the year ended 31.03.2009 Value (Rs. In lacs)
(a) INCOME IN FOREIGN CURRENCY		
Exports at F.O.B. Value	2923.65	908.79
	2923.65	908.79
(b) EXPENDITURE IN FOREIGN CURRENCY		
Travelling	65.61	31.88
Consultancy	4.69	-
	70.30	31.88

Signature of Schedules I to XX

 H K Gupta
 Company Secretary

For and on behalf of the Board

 Anil Bhalla
 Director
 DIN No. 00587533

 Abhey Kumar Oswal
 Chairman & Managing
 Director
 DIN No. 00589130

Place : New Delhi

 Date : 4th September, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

1 REGISTRATION DETAILS

Registration No.

0	3	1	0	9	9
---	---	---	---	---	---

 Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

 State Code

1	6
---	---

 Date Month Year

2 CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

 Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities

2	1	7	2	9	8	1	5
---	---	---	---	---	---	---	---

 Total Assets

2	1	7	2	9	8	1	5
---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid Up Capital

2	5	6	8	0	9	2
---	---	---	---	---	---	---

 Reserves and Surplus

1	9	1	3	2	2	0	7
---	---	---	---	---	---	---	---

 Secured Loans

N	I	L
---	---	---

 Unsecured Loans

2	9	5	1	6
---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

2	4	4	4	2	8
---	---	---	---	---	---

 Investments

6	1	0	7	7	0	7
---	---	---	---	---	---	---

 Net Current Assets

1	2	2	0	9	3	0	8
---	---	---	---	---	---	---	---

 Mis. Expenditure

N	I	L
---	---	---

 Accumulated Losses

3	1	6	8	3	7	2
---	---	---	---	---	---	---

4 PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover

1	3	8	0	9	1	7
---	---	---	---	---	---	---

 Total expenditure

1	5	1	3	3	8	5
---	---	---	---	---	---	---

 Loss before Tax

1	1	7	7	0	3
---	---	---	---	---	---

 Loss after Tax

1	1	8	3	2	9
---	---	---	---	---	---

 Earning per Share (Rs.)

-	0	.	4	6
---	---	---	---	---

 Dividend Rate

N	I	L
---	---	---

5 GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF THE COMPANY

N	A
---	---

Statement Pursuant to Section 212 of the Companies Act, 1956

Name of the Subsidiary Company : Universal Projects FZE, Dubai (U.A.E.)
 Financial year ending of the Company : 31.03.2010
 No. of Shares held by the Company : 11 Equity Share of AED 1 Million each
 Extent of Holding : 100%

Name of the Subsidiary Company : Oswal Engineering Ltd., Dubai (U.A.E.)
 Financial year ending of the Company : 31.03.2010
 No. of Shares held by the Company : 100 Equity Share of AED 100 each
 Extent of Holding : 100%

H K Gupta
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman & Managing
Director
DIN No. 00589130

Place : New Delhi
Date : 4th September, 2009

UNIVERSAL PROJECTS FZE
DIRECTORS' REPORT

The Directors have pleasure in presenting to the shareholders, their Report together with the audited financial statements of the concern for the year ended March 31, 2010.

1. PERFORMANCE OF THE COMPANY & FUTURE OUTLOOK

The company is a wholly owned subsidiary of M/s Oswal Chemicals & Fertilizers Ltd. The company is looking for a good business opportunity in the field of fertilizers and is seriously negotiating with the Govt. of Syria to set up a manufacturing facility for Phosphoric Fertilizer in Syria. The Company is likely to sign a MOU with the Govt. of Syria to this regard within a month. The demand for Phosphoric Fertilizers is showing an increasing trend worldwide and the future outlook for this industry looks bright.

2. DIRECTORS

Mr. Abhey Kumar Oswal and Mr. Anil Kumar Bhalla are the directors of the Company as on the date of this report.

3. AUDITORS' REPORT

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

4. DISCLOSURE PARTICULARS

The concern being registered outside India, the disclosures required to be made in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1989, are not relevant. Hence the same has not been furnished.

5. PARTICULARS OF EMPLOYEES

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

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the concern confirm;

- i. That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- ii. That the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the concern as at March 31, 2010.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the concern and for preventing and detecting fraud and other irregularities;
- iv. That the annual accounts have been prepared on a going concern basis.

For and on behalf of the Board

Place : New Delhi
 Date : 24 June, 2010

Anil Kumar Bhalla
 Director

UNIVERSAL PROJECTS FZE
AUDITORS' REPORT

We have audited the accompanying financial statements of **UNIVERSAL PROJECTS FZE** for the year ended 31 March 2010 set out on pages.

These financial statements are the responsibility of the concern's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit included such test of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

In our opinion, the financial statements fairly present the state of affairs of **UNIVERSAL PROJECTS FZE** as at 31 March 2010 and the results of its operation and its cash flows for the year then ended in conformity with accounting principles applied.

KSI Shah & Associates

Chartered Accountants

Dubai

24 June, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lacs)

	Notes	As at 31.03.2010	As at 31.03.2009
ASSETS			
Non-current asset			
Advances for capital purchase	3	1,379.52	1,603.41
Current asset			
Bank balances in call deposit accounts		0.01	1.01
		0.01	1.01
Total assets		1,379.53	1,604.42
EQUITY & LIABILITIES			
Shareholder's funds			
Share capital	4	1,344.65	1,562.88
Preoperative expenses		(16.75)	(16.03)
Equity funds		1,327.90	1,546.85
Current account	5	48.90	56.83
Total shareholder's funds		1,376.80	1,603.68
Current liability			
Payables and accrual		2.73	0.74
Total equity and liabilities		1,379.53	1,604.42

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

The Independent Auditors' Report is set forth on page 1.

Approved by the director on 24 June, 2010.

For Universal Projects FZE

Anil Kumar Bhalla
 Director

UNIVERSAL PROJECTS FZE
**INCOME STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2010**

	(Rs. in Lacs)	
	2010	2009
Administrative expenses	(2.95)	(3.96)
Foreign currency translation fund	2.23	(2.84)
Net pre-operative expenses for the year	(0.72)	(6.80)

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

For Universal Projects FZE

Anil Kumar Bhalla
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2010
1. Legal status and principal activity

- a) UNIVERSAL PROJECTS FZE is a Free Zone Establishment with limited liability registered in Jebel Ali Free Zone, U.A.E. The concern was established on 17 September 2006 under the license No. 07324 issued in accordance with the provision of Jebel Ali Free Zone Authority regulations.
- b) The concern is engaged in the business of trading in industrial plant equipment and spare parts, engineering designing instruments, heavy equipment and machinery spare parts and oilfield & natural gas equipment and spare parts.

2. Significant accounting policies

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The significant accounting policies adopted are as follows:

- a) **Other receivable:**
Provision is made for doubtful receivables. Bad debts are written off as they arise.
- b) **Payables and accruals:**
Liabilities are recognized for amounts to be paid for goods or services received whether or not invoiced to the concern.
- c) **Staff end of service gratuity:**
Staff end of service gratuity is accounted on cash basis.
- d) **Foreign currency transactions:**
Transactions in foreign currencies are converted into AED at the rate of exchange ruling on the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into AED at the rate of exchange ruling at the balance sheet date.

Resulting gains or losses are taken to the income statement.

e) Preoperative expenses:

All expenses related to various projects by the concern are treated as pre-operative expenses till the commencement of commercial production.

f) Cash and cash equivalents:

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash, bank current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

	(Rs. in Lacs)	
	2010	2009
3. Advances for capital purchase		
Advances to a supplier #	1,379.52	1,603.41
# This amount represents payment made to a company in Russia for providing designs and drawings for technical knowhow and license fee for manufacturing and fabrication of engineering products.		
4. Share capital		
Authorised, issued and paid up:		
11 shares of AED 1,000,000*	1,344.65	1,562.88
* Share certificates are in the name of 'Oswal Chemicals and Fertilizers Limited'.		
5. Current account		
This amount represents current account balance of the shareholder of the company.		
6. Contingent liability		
There was no contingent liability of a significant amount at the balance sheet date.		
7. Comparative figures		
Previous year's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.		

OSWAL ENGINEERING LIMITED
DIRECTORS' REPORT

The Directors have pleasure in presenting to the shareholders, their first Report together with the audited financial statements of the concern for the year ended March 31, 2010.

1. PERFORMANCE OF THE COMPANY & FUTURE OUTLOOK

The company is a wholly owned subsidiary of M/s Oswal Chemicals & Fertilizers Ltd. Registered in Jebel Ali Free Zone, UAE. The company is looking for good business opportunities in the international market.

2. DIRECTORS

Mr. Abhey Kumar Oswal and Mr. Anil Kumar Bhalla are the directors of the Company as on the date of this report.

3. AUDITORS' REPORT

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

4. DISCLOSURE PARTICULARS

The concern being registered outside India, the disclosures required to be made in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1989, are not relevant. Hence the same has not been furnished.

5. PARTICULARS OF EMPLOYEES

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

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the concern confirm;

- i. That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- ii. That the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the concern as at March 31, 2010.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the concern and for preventing and detecting fraud and other irregularities;
- iv. That the annual accounts have been prepared on a going concern basis.

For and on behalf of the Board

Place : New Delhi
 Date : 24 June, 2010

Anil Kumar Bhalla
 Director

OSWAL ENGINEERING LIMITED
AUDITORS' REPORT

We have audited the accompanying financial statements of **OSWAL ENGINEERING LIMITED** for the year ended 31 March 2010.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit included such test of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

In our opinion, the financial statements fairly present the state of affairs of **OSWAL ENGINEERING LIMITED** as at 31 March 2010 and the results of its operation and its cash flows for the year then ended in conformity with accounting principles applied.

KSI Shah & Associates

Chartered Accountants

Dubai

24 June, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lacs)

	Notes	2010	2009
ASSETS			
Current assets			
Other receivable		2.25	-
Cash and cash equivalents	3	18.03	26.57
		20.28	26.57
Total assets		20.28	26.57
EQUITY AND LIABILITIES			
Share capital	4	1.22	1.42
Pre operative expenses		(3.96)	(2.14)
Equity funds		(2.74)	(0.72)
Current account	5	22.51	26.16
Total shareholder' funds		19.77	25.44
Current liability			
Accrual		0.51	1.13
		0.51	1.13
Total equity and liabilities		20.28	26.57

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

The Independent Auditors' Report is set forth on page 1.

Approved by the director on 24 June, 2010.

For Oswal Engineering Limited

Anil Kumar Bhalla
 Director

OSWAL ENGINEERING LIMITED
**INCOME STATEMENT FOR THE PERIOD ENDED
31ST MARCH, 2010**

(Rs. in Lacs)

	Year ended 31 March, 2010	Year Ended 31 March, 2009
Administrative expenses	(2.13)	(1.20)
Interest income	0.01	0.21
Foreign current transaction fund	0.30	(0.26)
Net pre-operative expenses for the year	(1.82)	(1.25)

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

For Oswal Engineering Limited

Anil Kumar Bhalla
Director

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2010**
1. Legal status and business activity

- a) **OSWAL ENGINEERING LIMITED** is an offshore company with limited liability registered under the provision of Offshore Companies regulations of Jebel Ali Free Zone of 2003 under registration No. of 2960.
- b) The company was incorporated on 11 February 2007 and is registered to carry out business of general trading and investment activities. The company has not generated any revenue as it has not begun any commercial activities.

2. Significant accounting policies

The financial statements are prepared under the historical cost convention and the significant accounting policies adopted are as follows:

a) Other receivables:

Provision is made for doubtful receivables. Bad debts are written off as they arise.

b) Pre-operative expenses:

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

c) Payables and accruals:

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

d) Staff end of service gratuity:

Staff end of service gratuity is accounted on cash basis.

e) Foreign currency transactions:

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

Assets and liabilities expressed in foreign currencies are translated into US Dollar at the rate of exchange ruling at the balance sheet date.

Resulting exchange gains/losses are taken to the income statement.

(Rs. in lacs)

	2010	2009
3. Cash and cash equivalents		
Cheques on hand	3.09	-
Bank balance in call deposit accounts	14.94	26.57
	18.03	26.57

4. Share capital

Subscribed, Issued and Paid up*	1.22	1.42
100 shares of AED 100 each (US \$ 1 @ AED 3.67)		

*The share certificate is issued in the name of **M/s Oswal Chemicals & Fertilizers Limited**, the sole shareholder of the company.

5. Current account

This amount represents current account balance of the shareholder of the company.

6. Contingent liability

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

7. Comparative figures

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

CONSOLIDATED AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF OSWAL CHEMICALS & FERTILIZERS LTD

1. We have audited the attached Consolidated Balance Sheet of Oswal Chemical & Fertilizers Ltd. and its subsidiaries as at 31st March, 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on text basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the both subsidiaries, whose financial statements reflect total assets of Rs. 1420.52 Lacs as at 31st March, 2010, the total revenue of Rs. Nil Lacs and cash flows amounting to Rs. 9.53 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on such report.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rule 2006.
5. In our opinion and to the best of our information and according to explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Oswal Chemicals & Fertilizers Ltd. and its subsidiaries, the Consolidated Balance Sheet, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement subject to our comments in paragraphs 5.1 to 5.4 below give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Consolidated Balance Sheet of the Consolidated State of Affairs of Oswal Chemicals & Fertilizers Ltd. and its subsidiaries as at 31st March, 2010,
 - ii) In the case of consolidated Profit and Loss Account of the Consolidated results for the year ended on that date, and
 - iii) In the case of Consolidated Cash Flow Statement of the Consolidated Cash Flows for the year ended on that date.
- 5.1. *Note no.2 (a) of Schedule XX regarding non-confirmation/non-reconciliation of certain debit/credit balances. Consequential revenue impact, if any, is not ascertainable.*
- 5.2. *Note no. 2(b) of Schedule XX regarding non provision for debtors amounting to Rs. 117.17 Lacs against which legal cases have been filed by the company.*
- 5.3. *Note no. 3(b) of Schedule XX regarding managerial remuneration amounting to Rs. 611.33 Lacs paid to directors, being subject to approval of Central Government.*
- 5.4. *Note no. 12 of Schedule XX regarding contribution amounting to Rs. 1,313.51 Lacs for charitable purpose in excess of limit approved by shareholders is subject to the approval of the shareholders.*

We further report that without considering our comments in paragraph 5.1 above the impact of which we are unable to quantify and our comments in paragraph 5.3 and 5.4 above being legal matters and after considering adjustments arising on account of our comments in paragraph 5.2 above, the loss after tax would change to Rs. 1,300.46 Lacs as against Rs. 1,183.29 Lacs as shown in Consolidated Profit & Loss Account. Consequently, net current assets would change to Rs. 123,297.73 Lacs as against Rs. 123,414.90 Lacs and debit balance in Consolidated Profit & Loss account would change to Rs. 31,800.89 Lacs as against Rs. 31,683.72 Lacs as shown in the Consolidated Balance Sheet.

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

(Surender Kumar)
Partner
M. No. 82982

Place: New Delhi
Dated: 4th September, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. In Lacs)

Particulars	Schedule No.	As At 31.03.2010	As At 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	I	25,680.92	25,680.92
Reserves & Surplus	II	191,320.63	191,550.64
		<u>217,001.55</u>	<u>217,231.56</u>
Unsecured Loans	III	295.16	83.68
Total		<u>217,296.71</u>	<u>217,315.24</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	IV	14,470.59	14,179.36
Less: Depreciation		12,026.31	11,886.69
Net Block		<u>2,444.28</u>	<u>2,292.67</u>
Capital Work in Progress		20.71	18.18
Investments	V	59,733.10	700.00
Current Assets, Loans & Advances			
– Inventories	VI	12,845.37	15,800.35
– Sundry Debtors	VII	14,129.16	21,903.90
– Cash & Bank Balances	VIII	16,079.10	19,253.64
– Loans & Advances	IX	90,028.64	136,648.90
		<u>133,082.27</u>	<u>193,606.79</u>
Less: Current Liabilities & Provisions			
Current Liabilities	X	9,480.85	9,651.49
Provisions	XI	186.52	151.34
		<u>9,667.37</u>	<u>9,802.83</u>
Net Current Assets		123,414.90	183,803.96
Profit & Loss Account		31,683.72	30,500.43
Total		<u>217,296.71</u>	<u>217,315.24</u>
Significant Accounting Policies and Notes to the Consolidated Accounts	XX		

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

Surender Kumar
Partner
Membership No.082982
For and on behalf of
T.R.CHADHA & CO.
(Firm Registration No. 006711N)
Chartered Accountants

Place : New Delhi
Date : 4th September, 2010

H K Gupta
Company Secretary

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

For and on behalf of the Board

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman & Managing
Director
DIN No. 00589130

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. In Lacs)			
Particulars	Schedule No.	For The Year Ended 31.03.2010	For The Year Ended 31.3.2009
Income			
Sales & Other Buisness Income	XII	13,809.17	13,909.01
Other Income	XIII	147.65	1,416.09
		<u>13,956.82</u>	<u>15,325.10</u>
Expenditure			
Purchase		4,978.43	1,376.13
Employees' Cost	XIV	943.99	843.91
Selling Expenses	XV	168.55	59.82
Finance Expenses	XVI	64.74	19.70
Balance Written Off		-	4,000.00
Loss in Real Estate Business		2,500.00	2,500.00
Depreciation	IV	139.62	137.92
Administration Expenses	XVII	3,349.90	1,715.83
(Increase)/Decrease in Stock of Finished Goods/ Work in Progress	XVIII	2,954.98	1,966.67
Total		<u>15,100.21</u>	<u>12,619.98</u>
Profit/(Loss) Before Prior Period Adjustments and Taxation		(1,143.39)	2,705.12
Prior Period Adjustments	XIX	33.64	(22.72)
Profit/(Loss) Before Taxation		(1,177.03)	2,727.84
Current Tax		-	310.00
Fringe Benefits Tax		-	31.67
Fringe Benefits Tax for Previous Years		6.26	-
Profit/(Loss) After Taxation		(1,183.29)	2,386.17
Profit/(Loss) Brought Forward from Previous Year		(30,500.43)	(32,886.60)
Balance Carried over to Balance Sheet		<u>(31,683.72)</u>	<u>(30,500.43)</u>
Earning Per Share (Nominal Value of Rs.10 Each)			
Basic / Diluted (Note 8 on Schedule XX)		(0.46)	0.93
Significant Accounting Policies and Notes to the Consolidated Accounts	XX		

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

Surender Kumar
Partner
Membership No.082982
For and on behalf of
T.R.CHADHA & CO.
(Firm Registration No. 006711N)
Chartered Accountants

Place : New Delhi
Date : 4th September, 2010

H K Gupta
Company Secretary

The Schedules referred to above form an integral part of the
Consolidated Profit & Loss Account

For and on behalf of the Board

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman & Managing
Director
DIN No. 00589130

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Year Ended March 31, 2010 Amount	Year Ended March 31, 2009 Amount
(Rs. In Lacs)		
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	(1,177.03)	2,727.84
Adjustments for:		
Depreciation	139.62	137.92
Finance Expense	64.74	19.70
Interest Income	(123.36)	(224.65)
(Profit)/Loss on sale/write off of Fixed Assets	-	(0.03)
Balance written off	-	4,000.00
Liability no longer required written back	(2.30)	(0.12)
Unrealised Foreign Exchange Fluctuation	89.53	(11.56)
Provision for Gratuity & Leave Encashment	34.86	13.41
Prior Period Expenses/(Income) (Net)	33.64	(22.72)
Wealth Tax Provision	4.16	3.20
Operating profit before working capital changes	(936.14)	6,642.99
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	7,679.90	5,865.22
- (Increase)/Decrease in Other Receivables	46,312.10	(17,738.44)
- (Increase)/Decrease in Inventories	2,954.98	1,966.67
- Increase/(Decrease) in Trade and Other Payables	(160.06)	(2,501.83)
	56,786.93	(12,408.38)
Cash generated from operations	55,850.78	(5,765.39)
- Prior Period (Expenses)/Income (Net)	(33.64)	22.72
- Wealth Tax Paid	(3.20)	(3.55)
- Taxes (Payment) / Refund	298.29	(1,796.10)
Net cash from operating activities	56,112.23	(7,542.32)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(293.76)	(43.72)
Proceeds from Sale/return of fixed assets/Capital work in progress	-	0.20
(Purchase)/Sale of investments (Net)	(59,033.10)	12,736.19
Interest Received (Revenue)	123.36	224.65
Net cash used in/from investing activities	(59,203.50)	12,917.32
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/(repayment) of Unsecured loans	211.48	(8,747.96)
Foreign Currency Translation Fund	(230.01)	381.19
Proceeds (Repayments) from short term borrowings/cash credit receipts	-	-
Finance Expense Paid	(64.74)	(19.70)
Net cash used in financing activities	(83.27)	(8,386.47)
Net Increase/(Decrease) in Cash & Cash Equivalents	(3,174.54)	(3,011.47)
Cash and cash equivalents at the beginning of the year	19,253.64	22,265.11
Cash and cash equivalents at the close of the year	16,079.10	19,253.64

Notes :

- The above Consolidated Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.
- Cash and cash equivalents include Rs. Nil (Previous Year Rs. 147.86 lacs) against the margin money for Bank guarantees and Rs. 14349.94 lacs (Previous Year Rs. 13115.12 lacs) held in Escrow account.
- Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's presentation.

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

Notes to accounts (Schedule XX) form an integral part of the Consolidated Cash Flow Statement

For and on behalf of the Board

Surender Kumar
Partner
Membership No.082982
For and on behalf of
T.R.CHADHA & CO.
(Firm Registration No. 006711N)
Chartered Accountants

H K Gupta
Company Secretary

Anil Bhalla
Director
DIN No. 00587533

Abhey Kumar Oswal
Chairman & Managing
Director
DIN No. 00589130

Place : New Delhi
Date : 4th September, 2010

CONSOLIDATED SCHEDULES TO ACCOUNTS

(Rs. In Lacs)

SCHEDULE I : SHARE CAPITAL	As At 31.03.2010	As At 31.03.2009
Authorised:		
1,000,000,000 (Previous Year 1,000,000,000) Equity Shares of Rs. 10/- each	100,000.00	100,000.00
12,500,000 (Previous year 12,500,000) 0.0 % Optional convertible Preference Shares of Rs. 100/- each	12,500.00	12,500.00
23,000,000 (Previous year 23,000,000) 0.01 % Optional convertible Cumulative Redeemable Preference Shares of Rs 100/- each	23,000.00	23,000.00
27,500,000 (Previous Year 27,500,000) Redeemable preference Shares of Rs.100/-each	27,500.00	27,500.00
	163,000.00	163,000.00

Issued, Subscribed & Paid Up:

256,809,159 (Previous Year 256,809,159) Equity Shares of Rs.10/- each fully paid up	25,680.92	25,680.92
Total	25,680.92	25,680.92

SCHEDULE II: RESERVES & SURPLUS

Share Premium	44,252.89	44,252.89
Capital Redemption Reserve	29,860.00	29,860.00
General Reserve	117,209.18	117,209.18
Foreign Currency Translation Funds	(1.44)	228.57
Total	191,320.63	191,550.64

SCHEDULE III : UNSECURED LOAN

Oswal Agro Mills Ltd.*	295.16	83.68
Total	295.16	83.68

*Loan repayable within one year Rs. 295.16 Lacs (Previous Year Rs. Nil)

SCHEDULE IV : FIXED ASSETS

(Rs in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As At 1.04.2009	Additions During the Year	Sale/Adju- stment During the Year	As At 31.03.2010	Upto 1.04.2009	For the Year	Written Back During the Year	Upto 31.03.2010	As At 31.03.2010	As At 31.03.2009
Land*										
- Leasehold	104.45	-	-	104.45	2.28	0.11	-	2.38	102.06	102.17
- Freehold	335.61	-	-	335.61	-	-	-	-	335.61	335.61
- Site Development	472.43	-	-	472.43	44.99	5.63	-	50.62	421.81	427.44
Buildings										
- Leasehold	30.68	-	-	30.68	14.38	0.50	-	14.88	15.80	16.30
- Freehold	1,967.05	-	-	1,967.05	951.13	51.72	-	1,002.85	964.20	1,015.92
Plant & Machinery	293.69	61.21	-	354.90	253.13	7.79	-	260.92	93.98	40.56
Plant & Machinery held for disposal**	9,837.25	-	-	9,837.25	9,700.32	-	-	9,700.32	136.93	136.93
Furniture & Fixture	148.46	44.69	-	193.15	133.50	2.87	-	136.37	56.78	14.96
Vehicles	989.74	185.33	-	1,175.07	786.96	71.00	-	857.96	317.11	202.78
Total	14,179.36	291.23	-	14,470.59	11,886.69	139.62	-	12,026.31	2,444.28	2,292.67
Previous year	14,155.20	35.66	11.50	14,179.36	11,760.10	137.92	11.33	11,886.69	2,292.67	

* includes land amounting to Rs. 0.82 Lacs (Previous year Rs.0.82 Lacs) located at Mandideep, the lease deed in respect of which is yet to be executed.

** Net realisable value based on management estimate is more than the book value, hence valued at their book value

SCHEDULES (Contd...)

	(Rs. In Lacs)	
SCHEDULE V : INVESTMENTS (AT COST)	As At 31.03.2010	As At 31.03.2009
A. Long Term Investments		
Bonds-unquoted		
700 No's 7.75 % Series (Previous Year 700) Bonds of Rs.1 Lac each of West Bengal Financial Corporation	700.00	700.00
B. Current Investments-(Unquoted)		
62,071,935 Units (Previous Year Nil Units) of LIC Saving Plus Fund-Growth Plan	9,026.84	-
360.070,732 Units (Previous Year Nil Units) of Canara Robeco Treasury Advantage Fund Super Instt-Growth Fund	50,006.26	-
Total	59,733.10	700.00
Aggregate Market Value of Quoted Investments	-	-
Aggregate Cost of Quoted Investments	-	-
Aggregate Cost of Un-Quoted Investments	59,733.10	700.00
SCHEDULE VI : INVENTORIES		
(As taken Valued and Certified by the Management)		
Finished Goods	379.13	379.13
Trading Goods	5.79	535.03
Plots/Land	12,460.45	9,785.45
Flats	-	5,100.74
Total	12,845.37	15,800.35
SCHEDULE VII : SUNDRY DEBTORS		
(Considered Good Unless Otherwise Stated)		
Over Six Months		
Secured	0.40	0.40
Unsecured	9,378.23	18,442.53
Debts Considered Doubtful	25.00	25.00
Others		
Secured	-	-
Unsecured	4,750.53	3,460.97
Less Provision for Doubtful Debts / Claims	(25.00)	(25.00)
Total	14,129.16	21,903.90
SCHEDULE VIII : CASH & BANK BALANCES		
Cash & Cheques In Hand Including Postage Imprest	16.24	9.34
Balances With Scheduled Banks :		
- Current Accounts	1,696.72	1,453.74
Balances With Non-Scheduled Banks :	14,351.18	17,762.98
- Call Deposits Accounts	14.96	27.58
Total	16,079.10	19,253.64
*Includes Fixed Deposits Pledged against Bank Guarantees and Letters of Credit Rs Nil Lacs (Previous Year Rs. 147.86 Lacs), and Rs. 14,349.94 Lacs (Previous Year 13,115.12 Lacs) held in Escrow Account Jointly with Kribhco Shyam Fertilizers Ltd.		
SCHEDULE IX : LOANS & ADVANCES		
(Unsecured and Considered Good Unless Otherwise Stated)		
Advances Recoverable In Cash or in kind or for value to be Received	86,842.89	132,412.75
Less: Provision for Doubtful Advances	(96.31)	(96.31)
Interest Accrued but not due on Deposits	688.57	1,433.67
Balance with Central Excise etc.	15.29	15.29
Security Deposits	99.77	99.88
Advance Tax (Net of Provisions of Rs. 2,930.00 Lacs, Previous Year 2,930.00 Lacs)	2,478.43	2,783.62
Total	90,028.64	136,648.90

SCHEDULES (Contd...)

(Rs. In Lacs)

SCHEDULE X : CURRENT LIABILITIES	As At 31.03.2010	As At 31.03.2009
Sundry Creditors	700.40	942.11
Advances from Customers	402.03	440.18
Other Liabilities	8,378.42	8,269.20
Total	9,480.85	9,651.49
SCHEDULE XI : PROVISIONS		
Gratuity	65.69	50.96
Leave with Wages	115.17	95.04
Wealth Tax	5.66	4.70
Fringe Benefit Tax	-	0.64
Total	186.52	151.34
SCHEDULE XII : SALES AND OTHER BUSINESS INCOME		
	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
Interest on Bonds - Gross (TDS Rs Nil Lacs, Previous Year Nil Lacs)	54.25	54.25
Interest on ICD's - Gross (TDS Rs 460.87 Lacs, Previous Year Rs.1,836.74 Lacs)	2,251.30	8,105.66
Interest on FDR's - Gross (TDS Rs 199.82 Lacs, Previous Year Rs.105.55 Lacs)	1,134.24	1,695.52
Sale of Flats	5,091.74	-
Sale of Plots	-	2,501.70
Sales Export	3,054.77	959.27
Income from Share/Mutual Funds/Bonds Trading	2,222.87	597.99
Profit/(Loss) on Commodities Derivatives	-	(5.38)
Total	13,809.17	13,909.01
SCHEDULE XIII : OTHER INCOME		
Profit on Sale of Assets	-	0.03
Interest Others - Gross (TDS Rs. Nil Lacs, Previous Year Rs. Nil Lacs)	123.36	224.65
Provision no Longer Required Written Back	2.30	0.12
Miscellaneous Income	21.99	1,191.29
Total	147.65	1,416.09
SCHEDULE XIV : EMPLOYEES' COST		
Salaries, Wages, Bonus and other Allowances	864.00	778.00
Contribution to Provident Fund & Employees State Insurance	70.53	63.75
Welfare Expenses	9.46	2.16
Total	943.99	843.91
SCHEDULE XV : SELLING EXPENSES		
Freight & Handling Charges	168.44	58.41
Others	0.11	1.41
Total	168.55	59.82
SCHEDULE XVI : FINANCE EXPENSES		
Interest	60.94	15.65
Bank Charges	3.80	4.05
Total	64.74	19.70
SCHEDULE XVII : ADMINISTRATION EXPENSES		
Rent	256.36	234.30
Rates & Taxes	25.18	15.32
Insurance	3.32	2.55
Foreign Exchange Fluctuation	402.17	(15.34)
Repairs - Building	284.83	35.33
- Others	10.72	10.83
Consultation & Professional Fee	196.93	312.49
Donation	1,552.29	459.91
Other General Expenses	618.10	660.44
Total	3,349.90	1,715.83

SCHEDULES (Contd...)

	(Rs. In Lacs)	
SCHEDULE XVIII : ADJUSTMENT DUE TO (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
Opening Stock		
Finished Goods	379.13	379.13
Trading Goods	535.03	
Plots/Land	9,785.45	12,287.15
Flats	5,100.74	5,100.74
	15,800.35	17,767.02
Less: Closing Stock		
Finished Goods	379.13	379.13
Trading Goods	5.79	535.03
Plots/Land	12,460.45	9,785.45
Flats	-	5,100.74
	12,845.37	15,800.35
Decrease / (Increase)	2,954.98	1,966.67
SCHEDULE XIX : PRIOR PERIOD ADJUSTMENTS		
Other General Expenses	33.64	(22.72)
Total	33.64	(22.72)

SCHEDULE XX : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE CONSOLIDATED ACCOUNTS:

Significant Accounting Policies

A. Group Companies

The consolidated financial statements comprise of financial statements of Oswal Chemicals & Fertilizers Ltd (the Company) and its wholly owned subsidiaries incorporated outside India namely Universal Projects FZE and Oswal Engineering Ltd (hereinafter referred as "the Group").

B. Basis of preparation of Accounts

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

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

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

C. Fixed Assets and Depreciation

Fixed Assets

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

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

D. Depreciation

The Company provides for depreciation as follows:

The assets are depreciated on WDV basis at the rates provided in Schedule XIV to the Companies Act, 1956.

In case of LDPE division, the assets other than plant and machinery (valued at lower of net realisable value basis or cost) are depreciated on WDV basis at the rates provided in Schedule XIV to the Companies Act, 1956.

In case of Other Divisions, the assets are depreciated on SLM basis at the rates provided in Schedule XIV to the Companies Act, 1956.

Leasehold premium/improvement is being amortized/depreciated over the period of lease.

E. Investments

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

F. Inventories

a) Fertilizers

Finished goods are valued at cost or net realisable value, whichever is lower. Realisable value of Urea and DAP is inclusive of the Concession as notified by the Government of India. The basis of determining cost is Material Cost plus appropriate share of labour and production overheads.

b) Plots/Flats/Trading Goods

Inventories are valued at lower of cost or market value

G. Revenue Recognition

In case of fertilizers, sales are recognised upon the transfer of significant risks and rewards of ownership to the customers. Concession on Urea under Group Pricing Scheme is recognised as per the price notified by Government of India and is subject to adjustment on finalization of escalation claim on inputs as and when notified. Equated freight on urea is recognised as income on its accrual. Concession on DAP/NP is recognised at rates notified by Govt. of India from time to time.

Income/loss on purchase and sale of shares and other securities is net of brokerage, service tax, and education cess. Securities Transactions Tax to the extent not available as rebate under income tax Act, 1961 is charged directly to the Profit & Loss Account.

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

SCHEDULES (Contd...)

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

Export sales is recognized on the date of bill of lading.

H. Foreign Exchange Transactions

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

I. Employee Benefits

i. Long Term Employee Benefits

a) Defined Contribution Plans

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

b) Defined Benefit Plans

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

c) Other Long Term Employee Benefits

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

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

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

J. Taxation

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

K. Preoperative Expenses

All expenses related to various projects by the company are treated as preoperative expenses till the commencement of commercial production.

L. Provision

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

M. Contingent Liabilities

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

N. Translation of Non-integral Foreign Operations

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

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

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

O. Earnings per share

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

P. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Notes to accounts

(Rs.in Lacs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
1) Contingent Liabilities not provided for in respect of :		
(i) a) Land reference cases filed by land owners for additional compensation (excluding interest)	84.80	84.80
b) Disputed cost of motor vehicle purchased	9.77	51.75
c) Demands/show cause notices received from Sales Tax department.	10322.36	8357.54
d) Import Pass Fee for import of industrial alcohol in the State of West Bengal	42.85	42.85
e) Other claims against the Company not acknowledged as debts	2936.99	3003.71
f) Guarantees issued by banks	1.26	1.26
(ii) The Government of India has raised an interest demand amounting to Rs. 10825.13 lacs (Previous Year Rs. 10825.13 lacs) on delay in refund of subsidy for VII and VIII pricing periods. The company has filed an appeal before Double Bench of Hon'ble Delhi High Court for which decision is pending. No provision has been made since in the opinion of the management, demand is not sustainable.		
2) a) Certain debit/credit balances are subject to confirmations and reconciliation. Consequential revenue impact, if any, is not ascertainable.		
b) The company has filed legal cases against debtors of Rs. 117.17 lacs (Previous Year Rs. 117.17 lacs) for recovery of outstanding amounts. No provision there against has been considered necessary, since in the opinion of the management, these debts are recoverable.		
3) Directors' Remuneration:		
	Year Ended March 31, 2010	Year Ended March 31, 2009
Salary & allowances	420.00	420.00
Contribution to Provident Fund	50.40	50.40
Perquisites	140.93	128.67
Sitting Fees	1.35	1.00
Total	612.68	600.07

Notes: (a) Provision for gratuity and leave encashment have been made on a group basis and separate figures applicable to an individual employee are not available and therefore have not been considered in the above figures.

SCHEDULES (Contd...)

(b) The company is in the process of obtaining necessary approvals from the Central Government for the managerial remuneration paid to the directors for the current year and excess remuneration paid over the minimum remuneration, due to absence/inadequacy of profits for the relevant previous year(s).

4) Loans and Advances (Rs. in Lacs)

	As at March 31, 2010	As at March 31, 2009
Maximum Amount due from Directors and Secretary at any time during the year	0.70	0.70

5) Auditors' Remuneration: (Rs. in Lacs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Audit Fee	18.00	18.00
Certification work	0.10	0.10
Taxation Matters	0.14	Nil
Company Law Matters	2.00	Nil
Other Services	Nil	0.30
Out of Pocket Expenses (including service tax)	2.58	2.71

6) No Deferred Tax Asset on depreciation, retirement benefits, provision for doubtful debts/advances brought forward tax losses etc. has been recognised in view of prudence due to the fact that as at 31.03.2010 reasonable certainty of availability of sufficient future taxable income is not there.

7) Employee cost (Schedule XIV) and Administration expenses (Schedule XVII) are net of Rs. 37.01 Lacs (Previous Year Rs. 28.98 lacs) being estimated amount of expenses apportioned to a group company.

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

	(Rs. in Lacs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Profit/(Loss) attributable to Equity Shareholders (Rs.)/(A)	(118,329,235)	238,616,481
Basic/Weighted average of Equity Shares outstanding during the year (B)	256,809,159	256,809,159
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning per share (Rs.) (A)/(B)	(0.46)	0.93

9) Related Party Disclosures

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

- Major Shareholder
Mr. Abhey Kumar Oswal
- Key Management Personnel and their relatives:
Mr. Anil Bhalla
Mrs. Pratibha Bhalla (Wife of Mr. Anil Bhalla)
Mr. Atul Bhalla (Son of Mr. Anil Bhalla)
- Enterprises over which Major Shareholders, Key Management Personnel and their relatives have significant influence:-

Oswal Agro Mills Limited, Aruna Abhey Oswal Trust, Lucky Star Entertainment Limited, Atul Properties (P) Limited, Sohanaa International (P) Limited, Mohan Dai Oswal Cancer Treatment & Research Foundation.

(B) Transactions with Related Parties in the ordinary course of business.

(Rs. in Lacs)

Major Shareholders			
Mr. Abhey Kumar Oswal	Managerial Remuneration	446.13	433.87
Key Management Personnel & their relatives			
Mr. Anil Bhalla	Managerial Remuneration	165.20	165.20
Mrs. Pratibha Bhalla (Wife of Mr. Anil Bhalla)	Rent Paid	3.60	3.60
Mr. Atul Bhalla (Son of Mr. Anil Bhalla)	Rent Paid	3.60	3.60
Enterprises over which major shareholders and key Management Personnel have significant influence			
Atul Properties (P) Limited	Rent paid	3.60	3.60
Oswal Agro Mills Limited	Rent paid	1.20	1.20
	Payments made by Company on their behalf	12.69	2.34
	Payment received by company on their behalf	-	0.78
	Interest Received (Net)	0.01	-
	Their share of common expenses	37.01	28.98
	Advance Given to Company	15,238.00	7,000.00
	Loan Received*	526.76	9,085.06
	Loan Given	309.52	7,086.92
	Balances outstanding at year end:		
	- Payable (Loan)	295.16	83.68
	- Receivable (Advance)	5,098.00	Nil
Mohan Dai Oswal Cancer Treatment & Research Foundation	Donation	1,025.00	Nil

*Loan received includes considerations of Rs. Nil (Previous Year Rs. 9000.00 lacs) for assignments of Agreements to sell to the company by the enterprises

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

- Fertilizers
- Investment Activities
- Trading Goods
- Real Estate

Sl. No.	Particulars	Year ended March 31, 2010	Year ended March 31, 2009
1	Segment Revenue		
	Fertilizers	23.11	1,191.25
	Investment Activities	4,546.54	8,516.27
	Trading Goods	3,054.78	959.27
	Real Estate	5,091.74	2,501.70
	Unallocated	1,240.65	2,156.61
	Total Segment Revenue	13,956.82	15,325.10
2	Segment Result		
	Fertilizers	(179.37)	1,025.32
	Investment Activities	3,610.03	7,819.88
	Trading Goods	(343.72)	59.20
	Real Estate	(2,786.42)	(6,702.07)
	Unallocated	(1,412.81)	545.21
	Less: Interest & Finance Expenses	64.74	19.70
	Profit before Taxation	(1,177.03)	2,727.84
	Less: Provision for Current Tax	-	310.00
	Less: Provision for Fringe Benefit Tax	-	31.67
	Less: Provision for Fringe Benefit Tax for Previous Year	6.26	-
	Profit after Tax	(1,183.29)	2,386.17
	3	Segment Assets	
Fertilizers		10,994.98	11,030.02
Investment Activities		84,095.04	72,694.95
Trading Goods		2,720.55	2,499.04
Real Estate		76,575.64	89,464.06
Unallocated		20,894.15	20,929.57
Total Assets		195,280.36	196,617.64
Segment Liabilities			
Fertilizers		6,982.70	7,015.98
Investment Activities		927.86	828.42
Trading Goods		57.16	143.58
Real Estate	125.18	195.65	
Unallocated	1,869.63	1,702.88	
Total Liabilities	9,962.53	9,886.51	

SCHEDULES (Contd...)

Sl. No.	Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	Assets Acquired		
	Fertilizers	10.59	0.12
	Investment Activities	74.13	0.83
	Real Estate	21.18	0.24
	Unallocated	187.86	42.53
	Total Assets	293.76	43.72

The geographic segments identified as secondary segment are "Export" and Domestic". The required particulars are given as below:-

Particulars	Export	Domestic	Total
Segment Revenue	3054.78 (959.27)	9661.39 (12209.22)	12716.17 (13168.49)
Segment Assets	2720.55 (2,499.04)	171666.21 (173189.03)	174382.21 (175688.07)
Assets acquired	Nil (Nil)	105.90 (1.19)	105.90 (1.19)

- 11) In the opinion of the management all current assets and loan & advances as on 31st March, 2010 have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.
- 12) The contribution amounting to Rs. 1,313.51 Lacs for charitable purpose made by the company in excess of the limit approved by shareholders under section 293(i)(e) of the Companies Act, 1956 in Annual General Meeting held on 29th September, 2007 is subject to the approval of the shareholders.
- 13) During the year the company has received refund claims of Naphtha duty of Rs. 20.81 lacs (Previous Year Rs.1,189.00 lacs) and interest of Rs.17.04 lacs (Previous Year Rs. 191.00 lacs) thereon which have been included in under the heads "Miscellaneous Income" and "Interest Others" respectively.
- 14) Based on the information available with the Company, there are no dues as at March 31, 2010 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.
- 15) Balances written off / loss in real estate business represent business losses on settlement of real estate contracts which had to be abandoned since these were not viable due to steep fall in real estate prices.
- 16) **Employee Benefits**

The Company has classified various employee benefits as under:

a) Defined Contribution Plans

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

Employees Provident Fund including family pension fund Rs.68.38 lacs (Previous Year Rs. 62.20 lacs)

b) Defined Benefit Plans

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

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Discounting Rate	7.50%	7.00%
Future salary Increase	5.00%	4.50%
Expected Rate of return on plan assets	NA	NA
Expected Average remaining working lives of employees in number of years	14.87	13.90

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

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Present value of obligation	65.69	50.96
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(65.69)	(50.96)

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

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Present value of obligation as at the beginning of the year	50.96	57.29
Interest cost	3.82	4.01
Past service cost	13.75	-
Current service cost	6.92	5.44
Curtailement cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	(8.82)	(1.71)
Actuarial (gain)/loss on obligation	(0.94)	(14.07)
Present value of obligation as at the end of year	65.69	50.96

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

Particulars	Gratuity (Unfunded) 31.03.10	Gratuity (Unfunded) 31.03.09
Current service cost	6.92	5.44
Past service cost	13.75	-
Interest cost	3.82	4.01
Expected return on plan assets	-	-
Curtailement cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Net actuarial (gain)/ loss recognized in the year	(0.94)	(14.07)
Amount apportioned to a group company	0.59	0.12
Expenses recognized in the statement of profit & loss account	(22.96)	(4.50)

The Company expects to contribute Rs. 10.07 lacs during the next year.

- 17) Previous year's figures have been re-grouped/re-arranged wherever necessary to conform to the current year's presentation.

Signatures to schedules 1 to XX of consolidated accounts

For and on behalf of the Board

H K Gupta Company Secretary	Anil Bhalla Director	Abhey Kumar Oswal Chairman & Managing Director
	DIN No. 00587533	DIN No. 00589130

Place : New Delhi
Date : 4th September, 2010



ATTENDANCE SLIP

OSWAL CHEMICALS & FERTILIZERS LIMITED

Registered Office:

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

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

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

Regd. Folio No.

No. of Shares held.....

DP ID No. / Clients ID No.

I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company, being held on Thursday, the 30th September, 2010 at 10.30 a.m. at Company's Registered Office at Near Jain Colony, Vijay Inder Nagar, Daba Road, Ludhiana - 141 003 (Punjab)

(SIGNATURE OF PROXY HOLDER)

(SIGNATURE OF SHAREHOLDER)

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

For Office Use

PROXY FORM

OSWAL CHEMICALS & FERTILIZERS LIMITED

Registered Office:

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

Folio No. _____

No. of Shares held _____

I/We _____ of _____

_____ being a member/members of OSWAL CHEMICALS &

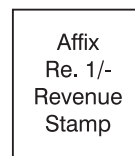
FERTILIZERS LIMITED hereby appoint _____ of _____

or failing him/her _____ of _____

as my / our proxy to vote for me / us and on my / our behalf at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company, being held on Thursday, the 30th September, 2010 and at any adjournment thereof.

Signed _____

Dated _____



NOTE:

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

Book-Post

If undelivered please return to :

Oswal Chemicals & Fertilizers Limited

Near Jain Colony, Vijay Inder Nagar,

Daba Road, Ludhiana - 141 003 (Punjab)