

OSM INVESTMENT & TRADING COMPANY LIMITED

REPORT AND ACCOUNTS
for the
year ended 31st March, 2013

Directors

SHRI TOLA RAM CHACHAN
SHRI AMRIT LAL TULSIAN
SHRI CHANDRA KUMAR VYAS
SHRI VIKASH SARASWAT

Auditors

Messrs R. L. AGARWALLA & CO.
Chartered Accountants
7, Rabindra Sarani (4th Floor)
Kolkata-700 001

Registered Office

9/1, R. N. Mukherjee Road,
Kolkata-700 001

OSM Investment & Trading Company Limited

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of OSM Investment & Trading Company Limited will be held on Tuesday, the 6th August, 2013 at 3.00 P.M. at 9/1, R. N. Mukherjee Road, Birla Building, 5th Floor, Kolkata-700 001 to transact the following business :

AS ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chandra Kumar Vyas who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution :

"RESOLVED THAT M/s. R. L. Agarwalla & Co., Chartered Accountants, 7, Rabindra Sarani, Kolkata - 700 001 having Firm Registration No. 312053E be and are hereby re-appointed as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to conduct the audit of the Company on such remuneration and other terms of engagement as would be fixed by the Board of Directors".

AS SPECIAL BUSINESS :

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

4. "RESOLVED THAT Mr. Vikash Saraswat be and he is hereby appointed a Director of the Company who shall be liable to retire by rotation".

9/1, R. N. Mukherjee Road,
Kolkata – 700 001
Dated : 25th April, 2013

By Order of the Board
Amrit Lal Tulsian
Director

NOTE : A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

OSM Investment & Trading Company Limited

EXPLANATORY STATEMENT :

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 4

Mr. Vikash Saraswat was appointed by the Board of Directors as an Additional Director of the Company on 25th April, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article no. 80 of the Articles of Association of the Company he will hold office as a Director only upto the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notice have been received from a shareholder signifying his intention to propose the appointment of Mr. Vikash Saraswat as a Director of the Company. His appointment as a Director is considered desirable in the interest of the Company so that the Company may be able to avail his valuable advices. The Directors, accordingly, recommend the Resolution mentioned in Item No. 4 of the Notice for your approval.

Except Mr. Vikash Saraswat, no other Director is interested in the proposed Resolution.

OSM Investment & Trading Company Limited

Directors' Report

To
The Shareholders,

Your Directors have pleasure in presenting their Report and the audited Accounts of the Company for the year ended 31st March, 2013.

	Rs.
2. Financial Results :	
The Statement of Profit & Loss shows a profit of	45,89,516
To which is added balance brought forward from the previous year	<u>1,97,73,933</u>
Making a total of	2,43,63,449
Out of this provisions has been made for Reserve Fund	<u>9,20,000</u>
Balance to be carried forward	<u>2,34,43,449</u>
3. Dividend :	
Your Directors have not recommended any dividend.	
4. Directors :	
Mr. Chandra Kumar Vyas retires from the Board by rotation and being eligible offers himself for re-appointment.	
Pursuant to the provision of Section 260 of the Companies Act, 1956, Mr. Vikash Saraswat was appointed as an Additional Director on 25th April, 2013 and accordingly he would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing the candidature of Mr. Vikash Saraswat for the office of Director liable to retire by rotation.	
5. Auditors :	
The Auditors, Messrs R. L. Agarwalla & Co., Chartered Accountants, retire and are eligible for re-appointment.	

OSM Investment & Trading Company Limited

Directors' Report (Contd.)

- 6. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo :**
- As the Company has no manufacturing activity, it is not required to furnish any information with regard to conservation of energy. There is no information to furnish with regard to technology absorption. During the year, no foreign exchange was earned or used by the Company.
- 7. Particulars of Employees :**
- The provisions of Section 217(2A) of the Companies Act, 1956 are not applicable to the Company as there is no employee.
- 8. Directors' Responsibility Statement :**
- Your Directors confirm that –
- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
 - they 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 at the end of the financial year and of the profit of the Company for that year ;
 - they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
 - they have prepared the annual accounts on a going concern basis.
- 9. Auditors Report :**
- The notes to the Accounts referred to in the Auditors Report are self-explanatory.
- 10. Compliance Certificate :**
- A copy of the Compliance Certificate from Messrs D. Raut & Associates, Company Secretaries, as required under Section 383A of the Companies Act, 1956 is attached and forms a part of this Report.

9/1, R. N. Mukherjee Road,
Kolkata-700 001.
Dated : 25th April, 2013

Tola Ram Chachan
Chandra Kumar Vyas] *Directors*

OSM Investment & Trading Company Limited

Independent Auditor's Report

To
The Members,

Report on the Financial Statements

We have audited the accompanying financial statements of OSM Investment & Trading Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

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

OSM Investment & Trading Company Limited

Independent Auditor's Report (Contd.)

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) and in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 12 to the financial statements, which describes non-provision in respect of diminution in the value of certain investments aggregating to Rs. 100.26 lacs as the same, in the opinion of the management is not permanent in nature. However, we are unable to express any opinion on the above and their consequent impact, if any, on the Company's profit/reserves, is not presently ascertainable. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31,2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

7, Rabindra Sarani,
Kolkata-700 001.
Dated : 25th April, 2013

For R. L. AGARWALLA & CO.
Chartered Accountants
Firm Registration No. 312053E
R. L. AGARWALLA
Proprietor
Membership No. 50516

OSM Investment & Trading Company Limited

Annexure referred to our Report of Even Date

- (i) The Company has maintained proper records of fixed assets showing full particulars, including quantitative details and situation thereof. Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. There was no substantial disposal of fixed assets during the year.
- (ii) The Company has no manufacturing and or trading activities and as such the question of having any stock and maintenance of records in respect thereof and physical verification of inventory does not arise.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence the requirement of sub clauses (b) to (d) of clause (iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
(b) As informed, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except loans taken from the Holding Company and hence the requirement of sub clauses (f) & (g) of clause (iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- (iv) The Company has not purchased any goods and fixed assets and also there is no sale of goods and services during the year and as such the question of having any internal control system with regard to purchase of inventory, fixed assets and sale of goods does not arise.
- (v) There was no transaction which was required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The internal audit was conducted by a service company and in our opinion the internal audit system was commensurate with the size of the Company and the nature of its business.
- (viii) The Company is not required to maintain any cost records under Section 209(1)(d) of the Companies Act, 1956.
- (ix) The Company is regular in depositing undisputed statutory dues with the appropriate authorities, as applicable. As the Company has no employee and no manufacturing and or trading activities are carried on by the Company, the questions of payment of Provident Fund, Employees' State Insurance, Sales Tax, Custom Duty, Excise Duty, Service Tax, Cess etc. does not arise. According to the information and explanations given to us no undisputed amounts payable in respect of statutory dues were outstanding as on 31st March, 2013 for the period of more than six months from the date they become payable. There are no dues outstanding in respect of statutory dues on account of any dispute.

OSM Investment & Trading Company Limited

Annexure referred to our Report of Even Date (Contd.)

- (x) The Company has no accumulated loss at the end of the financial year and it has not incurred any cash loss in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from financial institutions, bank or debenture holders, as such, the question of any default does not arise.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities hence maintenance of records in respect thereof does not arise.
- (xiii) In our opinion, and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (xiv) In respect of dealing in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
- (xv) As informed, the Company has not given any guarantee for loans taken by others from bank and financial institutions.
- (xvi) The Company has not taken any term loan from any financial institutions or bank. The Company does not have any borrowing by way of debentures.
- (xvii) We have been informed by the management that funds raised on short term basis were not utilized for long term purpose.
- (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 Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

7, Rabindra Sarani,
Kolkata-700 001.
Dated : 25th April, 2013

For R. L. AGARWALLA & CO.
Chartered Accountants
Firm Registration No. 312053E
R. L. AGARWALLA
Proprietor
Membership No. 50516

OSM Investment & Trading Company Limited

Balance Sheet as at 31st March, 2013

	Notes	As at	
		31st March, 2013 Rs.	31st March, 2012 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,74,04,180	1,74,04,180
Reserves & Surplus	4	4,82,73,509	4,36,83,993
Non Current Liabilities			
Long Term borrowings	5	4,07,85,000	4,57,75,000
Current Liabilities			
Other Current Liabilities	6	45,10,000	40,08,000
TOTAL		11,09,72,689	11,08,71,173
II. ASSETS			
Non Current Assets			
Fixed Assets			
(i) Tangible Assets	7	31,45,415	31,45,415
Non Current Investments	8	10,77,07,627	10,77,07,627
Current Assets			
Cash and Bank balances	9	1,19,647	18,131
TOTAL		11,09,72,689	11,08,71,173

Significant Accounting Policies 2

The accompanying notes are an integral part of the financial statements.

In terms of our attached report of even date.

For R. L. AGARWALLA & CO.
Chartered Accountants
Firm Registration No. 312053E
R. L. AGARWALLA
Proprietor
Membership No. 50516

Tola Ram Chachan
Chandra Kumar Vyas } *Directors*

OSM Investment & Trading Company Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes	For the year ended	
		2012-2013 Rs.	2011-2012 Rs.
I. Income			
Revenue from Operations	10	47,32,400	58,82,659
Total Revenue		47,32,400	58,82,659
II. Expenses			
Other Expense	11	1,42,884	1,23,887
Total Expenses		1,42,884	1,23,887
Earnings before Interest, Depreciation & Amortisation and Tax (I - II)		45,89,516	57,58,772
Finance Cost		—	—
Profit / (Loss) before Tax		45,89,516	57,58,772
Tax Expenses			
Current Tax		—	—
Total Tax Expense		—	—
Profit / (Loss) for the year		45,89,516	57,58,772
Earnings per Equity Shares of Face Value of Rs. 10/- each			
Basic & Diluted (Rs.)		2.64	3.31

Significant Accounting Policies 2

The accompanying notes are an integral part of the financial statements.

In terms of our attached report of even date.

For R. L. AGARWALLA & CO.
Chartered Accountants
Firm Registration No. 312053E
R. L. AGARWALLA
Proprietor
Membership No. 50516

Tola Ram Chachan
Chandra Kumar Vyas } *Directors*

OSM Investment & Trading Company Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	(All figures in Rs.)	
	<u>2012-2013</u>	<u>2011-2012</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / Loss before tax	45,89,516	57,58,772
Adjustment for :		
Dividend & Interest Income	(47,32,400)	(58,82,659)
Operating Profit/(loss) before Working Capital Changes	(1,42,884)	(1,23,887)
Adjustment for :		
Current Liabilities	—	—
Net Cash from Operating Activities (A)	(1,42,884)	(1,23,887)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	—	—
Sale of Investments	—	—
Dividend Received	47,32,400	58,82,659
Interest Received	—	—
Net Cash from Investing Activities (B)	47,32,400	58,82,659
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan	(44,88,000)	(57,50,000)
Net Cash from Financing Activities (C)	(44,88,000)	(57,50,000)
Net changes in Cash and Cash equivalents (A+B+C)	1,01,516	8,772
* CASH & CASH EQUIVALENTS—Opening Balance	18,131	9,359
* CASH & CASH EQUIVALENTS—Closing Balance	1,19,647	18,131
* Represents cash & bank balances as indicated in Note - 9		

7, Rabindra Sarani,
Kolkata-700 001.
Dated : 25th April, 2013

For R. L. AGARWALLA & CO.
Chartered Accountants
Firm Registration No. 312053E
R. L. AGARWALLA
Proprietor
Membership No. 50516

Tola Ram Chachan
Chandra Kumar Vyas } *Directors*

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2013

1. Corporate Information

OSM Investment & Trading Company Limited is primarily a NBFC Company Registered with RBI. It is engaged in Investments of its funds in shares, debentures, bonds of joint stock companies, Bonds etc of different Mutual Funds schemes and intercorporate/other deposits with Indian Companies / Banks etc.

2. Significant Accounting Policies

a. Basis of Preparation

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

b. Revenue Recognition Policy

- (i) Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head 'Operating Income' in the Profit & Loss Account.
- (ii) Dividend Income is recognized when the shareholders' right to receive payment is established by the balance sheet date. The Income is included under the head 'Other Operating Income' in the Profit & Loss Account.
- (iii) Profit & Loss from trading or sale of Investment is reflected as and when any transaction takes place.

c. Investment

Long Term Investments are considered at cost on individual basis, unless there is permanent decline in value thereof, in which case adequate provision is made against the diminution in the value of Investments.

d. Items of Income and Expenditure are recognised on accrual basis.

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

e. Income taxes

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

f. Earning per Share

Basic earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average no. of shares outstanding during the period, are adjusted for the effect of all dilutive potential equity shares.

g. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with an original maturity of three months or less.

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	For the year ended	
	31st March, 2013	31st March, 2012
	Rs.	Rs.
3. Share Capital		
(a) Authorised Shares		
24,90,000 Equity Shares of Rs.10 each	2,49,00,000	2,49,00,000
2,60,000 Preference Shares of Rs. 10 each	26,00,000	26,00,000
	<u>2,75,00,000</u>	<u>2,75,00,000</u>
(b) Issued, Subscribed & fully Paid-up Shares		
17,40,420 Equity Shares of Rs.10/- each	1,74,04,200	1,74,04,200
17,40,418 Equity Shares of Rs. 10/- each fully paid up in cash	1,74,04,180	1,74,04,180
	<u>1,74,04,180</u>	<u>1,74,04,180</u>

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-03-2013		31-03-2012	
	No.	Rs.	No.	Rs.
Equity Shares				
At the beginning of the Period	17,40,418	1,74,04,180	17,40,418	1,74,04,180
Add : Issued during the Period	—	—	—	—
Outstanding at the end of the Period	<u>17,40,418</u>	<u>1,74,04,180</u>	<u>17,40,418</u>	<u>1,74,04,180</u>

(d) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

For the year ended 31st March, 2013, the Board of Directors has not proposed any dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

(e) Details of shareholders holding more than 5% shares in the Company

	31-03-2013		31-03-2012	
	No.	% holding	No.	% holding
Equity Shares of Rs. 10 each fully paid				
The Oudh Sugar Mills Limited	17,40,418	100%	17,40,418	100%

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	For the year ended			
	31st March, 2013	31st March, 2012		
	Rs.	Rs.		
4. Reserves & Surplus				
Shares Premium Account				
As per last Account	87,02,060	87,02,060		
General Reserve				
As per last Account	50,00,000	50,00,000		
Reserve Fund				
As per last Account	77,08,000	65,56,000		
Add : Transfer from Statement of Profit & Loss	9,20,000	11,52,000		
	86,28,000	77,08,000		
Capital Redemption Reserve				
As per last Account	25,00,000	25,00,000		
Surplus/(Deficit) in the Statement of Profit & Loss				
Balance as per last financial statements	1,97,73,933	1,51,67,161		
Profit/(Loss) for the Year	45,89,516	57,58,772		
Less : Appropriations	2,43,63,449	2,09,25,933		
Transfer to Reserve Fund	9,20,000	11,52,000		
Net Surplus/(Deficit) in the Statement of Profit & Loss	2,34,43,449	1,97,73,933		
Total Reserves and Surplus	4,82,73,509	4,36,83,993		
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non Current</u>
5. Non-Current Liabilities				
Long-term borrowings (Unsecured)				
The Oudh Sugar Mills Limited (Holding Company)	45,00,000	4,07,85,000	40,00,000	4,57,75,000
(Interest free)	45,00,000	4,07,85,000	40,00,000	4,57,75,000

The Loan from the holding Company is Interest free and is payable after one year. Out of the total balance amount Rs. 45.00 lacs is payable in the next one year.

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

	For the year ended	
	31st March, 2013	31st March, 2012
	Rs.	Rs.
6. Other Current Liabilities		
Current Maturities of long term debt	45,00,000	40,00,000
Audit Fees	10,000	8,000
	45,10,000	40,08,000

7. Tangible Assets

Cost or Valuation	Freehold Land	Others	Total
At 1st April, 2011	31,45,415	—	31,45,415
Additions	—	—	—
Disposal	—	—	—
At 31st March, 2012	31,45,415	—	31,45,415
Additions	—	—	—
Disposal	—	—	—
At 31st March, 2013	31,45,415	—	31,45,415
	Freehold Land	Buildings	Total
Depreciation			
At 1st April, 2011	—	—	—
Charge for the year	—	—	—
Disposal	—	—	—
At 31st March, 2012	—	—	—
Additions	—	—	—
Charge for the year	—	—	—
At 31st March, 2013	—	—	—
Net Block at 31st March, 2012	31,45,415	—	31,45,415
At 31st March, 2013	31,45,415	—	31,45,415

OSM Investment & Trading Company Limited

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

8. Non Current Investments (At Cost) Non Trade

	No. of Shares / Debentures	Face Value (Rs.)	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
QUOTED				
Equity Shares (Fully Paid)				
Upper Ganges Sugar & Industries Ltd.	2,34,891	10	1,70,29,956	1,70,29,956
New India Retailing & Investment Ltd.	38,349	10	30,67,920	30,67,920
SIL Investment Limited	4,17,421	10	97,63,978	97,63,978
Sutlej Textiles & Industries Ltd.	4,25,880	10	1,40,06,908	1,40,06,908
Manbhawani Investment Ltd.	67,500	10	2,06,905	2,06,905
			4,40,75,667	4,40,75,667
UNQUOTED				
Equity Shares (Fully Paid)				
Modern Diagen Services Ltd.	13,196	10	1,31,960	1,31,960
SCM Investment & Trading Co. Ltd.	18,75,000	10	3,75,00,000	3,75,00,000
Preference Shares :				
8% Non Convertible Cumulative Redeemable				
Preference Shares of New India Retailing & Investment Ltd.	2,50,000	100	2,50,00,000	2,50,00,000
Equity Shares (Partly Paid)				
Modern Diagen Services Ltd. (Rs. 2/- paid up)	5,00,000	10	10,00,000	10,00,000
			6,36,31,960	6,36,31,960
			10,77,07,627	10,77,07,627
AGGREGATE VALUE OF INVESTMENTS				
Quoted			4,40,75,667	4,40,75,667
Unquoted			6,36,31,960	6,36,31,960
			10,77,07,627	10,77,07,627
Market Value of Quoted Investments			12,02,27,349	11,09,25,231

9. Cash and Bank Balances

Cash and Cash equivalents

Balances with bank		1,15,553	11,709
Cash on Hand		4,094	6,422
		1,19,647	18,131

	For the year ended	
	31st March, 2013 (Rs.)	31st March, 2012 (Rs.)
10. Income from Operations		
Dividend on Long Term Investments	47,32,400	58,82,659
	47,32,400	58,82,659
11. Other Expenses		
Rates & Taxes	8,800	8,800
Payment to Auditors		
Audit Fee	10,000	8,000
In other capacity for certifications & other services	7,500	6,500
Bank Charges	1,129	4,290
Professional & Consultancy Fees	6,900	3,653
Service Charges	78,652	77,210
Directors Sitting Fees	1,200	3,000
Depository Charges	7,709	7,969
Filling Fees	1,500	1,500
Printing & Stationery	2,960	2,100
Miscellaneous Expenses	16,534	865
	1,42,884	1,23,887

OSM Investment & Trading Company Limited

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2013 (Contd.)

12. No Provision has been made in respect of diminution in the value of certain investments aggregating to Rs. 100.26 lacs as the same, in the opinion of the management is not permanent in nature. However, there is no diminution in the overall market value of investments.

13. **Earning per Share (EPS)**

The following reflects the profit / (loss) and share data used in basic and diluted EPS computations :

	31st March, 2013	31st March, 2012
	Rs.	Rs.
Total operations for the year		
Profit / (Loss) after tax	45,89,516	57,58,772
Less : Dividends on Preference Shares and Tax thereon	—	—
Net profit / (loss) for calculation of basic / diluted EPS	45,89,516	57,58,772
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	17,40,418	17,40,418
Effect of dilution	—	—
Weighted average number of equity shares in calculating diluted EPS	17,40,418	17,40,418
Earning Per Share (Rs.)	2.64	3.31

14. **Names of related parties and description of relationships**

The Oudh Sugar Mills Limited Holding Company
The holding company has given long term Loans to the Company for business purposes, repayment of which is being done on availability basis.

Name	Opening Balance	Movement During the year	Closing Balance
The Oudh Sugar Mills Ltd. (Loan taken)	4,97,75,000	44,90,000	4,52,85,000

15. Contingent Liability not provided for in respect of uncalled capital on partly paid shares held as Investments of Rs. 40,00,000/- (Previous Year Rs. 40,00,000/-)

16. Previous years' figures have been regrouped and/or rearranged, where-ever necessary.

In terms of our attached report of even date.

For R. L. AGARWALLA & CO.
Chartered Accountants
Firm Registration No. 312053E

7, Rabindra Sarani,
Kolkata-700 001.
Dated : 25th April, 2013

R. L. AGARWALLA
Proprietor
Membership No. 50516

Tola Ram Chachan
Chandra Kumar Vyas } Directors

Schedule to the Balance Sheet of a Non-Banking Financial Company

(As required in terms of paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007)

PARTICULARS	Amount Outstanding	(Rs. in lacs) Amount Overdue
	(As on 31-03-2013)	(As on 31-03-2013)

Liabilities Side :

1. **Loans and Advances availed by the NBFC's**

inclusive of interest accrued thereon but not paid :

(a) Debentures : Secured	Nil	Nil
Unsecured (Other than falling within the meaning of Public Deposits)	Nil	Nil
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-Corporate Loans and Borrowings	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Other Loans (Unsecured)	452.85	Nil

Assets Side :

2. **Break-up of Loans and Advances including Bills receivables (other than those included in (3) below)**

	Amount outstanding
(a) Secured	Nil
(b) Unsecured	Nil

3. **Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities**

i) Lease Assets including lease rentals under sundry debtors :	
(a) Financial Lease	Nil
(b) Operating Lease	Nil
ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on Hire	Nil
(b) Repossessed Assets	Nil
iii) Other Loans counting towards AFC activities :	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

OSM Investment & Trading Company Limited

Schedule to the Balance Sheet of a Non-Banking Financial Company (Contd.)

Assets Side (Contd.)	(Rs. in lacs) <u>Amount Outstanding</u>
4. Break-up of Investments :	
Current Investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity	440.76
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted	
(i) Shares : (a) Equity	386.32
(b) Preference	250.00
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

OSM Investment & Trading Company Limited

Schedule to the Balance Sheet of a Non-Banking Financial Company (Contd.)

5. Borrower group-wise classification of Assets financed as in (2) and (3) above :		(Rs. in lacs) <u>Amount net of provisions</u>		
<u>Category</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>	
1. Related Parties				
(a) Subsidiaries	Nil	Nil	Nil	
(b) Companies in the same group	Nil	Nil	Nil	
(c) Other related parties	Nil	Nil	Nil	
2. Other than related parties	Nil	Nil	Nil	
Total :	Nil	Nil	Nil	
6. Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted) :		<u>Market Value/ Break-up or Fair value or NAV</u>	<u>Book Value (Net of Provisions)</u>	
<u>Category</u>				
1. Related Parties				
(a) Subsidiaries	Nil	Nil		
(b) Companies in the same group	Nil	Nil		
(c) Other related parties	Nil	Nil		
2. Other than related parties	1832.83	1077.08		
Total :	1832.83	1077.08		
7. Other Information				
<u>Particulars</u>		<u>Amount</u>		
i) Gross Non-Performing Assets				
(a) Related parties				
(b) Other than related parties	Nil			
ii) Net Non-Performing Assets				
(a) Related parties				
(b) Other than related parties	Nil			
iii) Assets acquired in satisfaction of debt		Nil		

Tola Ram Chachan
Chandra Kumar Vyas] *Directors*