

OSM Investment & Trading Company Limited

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of OSM Investment & Trading Company Limited will be held on Wednesday, 10th September, 2014 at 11.30 A.M. at 9/1, R. N. Mukherjee Road, Birla Building, 5th Floor, Kolkata-700 001 to transact the following businesses :

AS ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2014, 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. Tola Ram Chachan (holding DIN : 00050558) 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 pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, all other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modifications or re-enactments thereof M/s. R. L. Agarwalla & Co., Chartered Accountants, 7, Rabindra Sarani, Kolkata - 700 001 having Firm Registration No. 312053E be and they are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at 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 Resolutions :

4. "RESOLVED that Mr. Brij Mohan Agarwal (holding DIN : 03101758) who was appointed as an Additional Director of the Company w.e.f. 28th February, 2014 and who holds office upto the date of this Annual General Meeting be and he is hereby appointed as a Director of the Company."
5. "RESOLVED THAT Mr. Subramanian Sathyamurthy (holding DIN : 06826788) who was appointed as an Additional Director of the Company w.e.f. 28th February, 2014 and who holds office upto the date of this Annual General Meeting be and he is hereby appointed as a Director of the Company."

Regd. Office :

9/1, R. N. Mukherjee Road,
5th Floor, Kolkata - 700 001

CIN : U67120WB1986PLC041677

Tel. : 2242 9956, 2248 7068

Fax : 2248 6369

E-mail : birlasugar@birla-sugar.com

Dated : 11th August, 2014

By Order of the Board

Chandra Kumar Vyas
Director

OSM Investment & Trading Company Limited

NOTICE (Contd.)

NOTE : A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the meeting.

In terms of Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of not exceeding fifty members and holding in aggregate not more than 10% of the total paid up share capital of the Company carrying voting rights. A member holding more than ten percent of the paid up share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 4 & 5 of Special Business :

The Board of Directors of the Company at their meeting held on 28th February, 2014 had appointed Mr. Brij Mohan Agarwal and Mr. Subramanian Sathyamurthy as Additional Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company.

Since the tenure of appointment of Mr. Brij Mohan Agarwal and Mr. Subramanian Sathyamurthy as Additional Directors of the Company expires at the ensuing Annual General Meeting, approval of the shareholders is being sought to confirm their appointment as Directors of the Company. As required under Section 160 of the Companies Act, 2013, notice has been received from shareholders signifying their intention to propose the appointment of Mr. Brij Mohan Agarwal and Mr. Subramanian Sathyamurthy as Directors of the Company.

Their appointment as Directors of the Company is considered desirable in the interest of the Company so that the Company may be able to avail their valuable advices. The Directors, accordingly, recommend the Resolutions mentioned in Item Nos. 4 & 5 of the Notice for your approval.

Save and except Mr. Brij Mohan Agarwal and Mr. Subramanian Sathyamurthy and their relatives to the extent of their shareholding, if any, none of the Directors or the Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed Resolution.

OSM Investment & Trading Company Limited

Directors' Report

To
The Shareholders,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report on the performance of your Company along with the Audited Accounts of the Company for the year ended 31st March, 2014.

2. Financial Results :

| | Rs. |
|--|--------------------|
| The Profit & Loss Account shows a profit of | 45,64,597 |
| To which is added balance brought forward from the previous year | <u>2,34,43,449</u> |
| Making a total of | 2,80,08,046 |
| | |
| Out of this provision have been made for Reserve Fund | <u>9,13,000</u> |
| Balance to be carried forward | <u>2,70,95,046</u> |

3. Dividend :

Your Directors have not recommended any dividend.

4. Capital :

During the year under review, there has been no change in the capital base of the Company which comprised of 17,40,418 fully paid Equity Shares of Rs. 10 each.

5. Deposits :

Your Company did not accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

6. Directors :

In accordance with the provisions of the Companies Act, 2013, Mr. Tola Ram Chachan retires from the Board by rotation and is eligible for re-appointment.

Mr. Amrit Lal Tulsian and Mr. Vikash Saraswat resigned from the Board of Directors of the Company and thus ceased to be the Directors of the Company with effect from 28th February, 2014. The Board places on record its deep appreciation for the services rendered by them during their tenure as the Directors of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Brij Mohan Agarwal and Mr. Subramanian Sathyamurthy were appointed as the Additional Directors on 28th February, 2014 and accordingly they would hold office upto the date of the ensuing Annual General Meeting.

7. Statutory Disclosures :

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956.

OSM Investment & Trading Company Limited

Directors' Report (Contd.)

8. Auditors :

The Auditors, M/s. R. L. Agarwalla & Co., Chartered Accountants, 7, Rabindra Sarani, Kolkata - 700 001 having Firm Registration No. 312053E allotted by The Institute of Chartered Accountants of India (ICAI) retires as Auditor of your Company at the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed. Your Company has obtained a written consent form M/s. R. L. Agarwalla & Co., Chartered Accountants to the effect that their appointment, if made, will be within the limits specified under Section 139 and 141 of the Companies Act, 2013 and are eligible for re-appointment.

9. 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.

10. Particulars of Employees :

The provisions of Section 217(2A) of the Companies Act, 1956 are not applicable to the Company.

11. Directors' Responsibility Statement :

Your Directors confirm that –

- i) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii) 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 ;
- iii) 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 ;
- iv) they have prepared the annual accounts on a going concern basis.

12. Auditors Report :

The notes to the Accounts referred to in the Auditors Report are self-explanatory.

13. 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 : 24th April, 2014

Brij Mohan Agarwal
Chandra Kumar Vyas } Directors

OSM Investment & Trading Company Limited

Compliance Certificate

Authorised Capital : Rs. 2,75,00,000/-
Registration No. : 21-041677

To
The Members,

We have examined the registers, records, books and papers of OSM Investment & Trading Company Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and / or Companies Act, 2013 to the extent applicable and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, Clause 3 is not applicable.
4. The Board of Directors duly met 4 (Four) times respectively on 25th April, 2013, 23rd September, 2013, 27th November, 2013 and 28th February, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year, since it is not listed with any stock exchange.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 6th August, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Companies Act, 1956 and read with Section 185 of Companies Act, 2013.

OSM Investment & Trading Company Limited

Compliance Certificate (Contd.)

9. The Company has not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company has made necessary entries in the register maintained under Section 301 of the Companies Act, 1956.
11. As there was no instance falling within the purview of Section 314 of the Companies Act, 1956, the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company has :
 - a. not made any allotment / transfer / transmission of shares during the financial year.
 - b. not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - c. was not required to post warrants to member of the Company as no dividend was declared during the financial year.
 - d. no amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon and as such it was not required to transfer any amount to Investor Education and Protection Fund.
 - e. has duly complied with the requirements of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year, as there was no need to do so.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any securities during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of preference Shares or debentures during the financial year, as the Company has not issued any preference shares or debentures.

OSM Investment & Trading Company Limited

Compliance Certificate (Contd.)

22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of Shares.
23. The Company has not invited / accepted any deposits under Section 58A of the Companies Act, 1956 during the financial year.
24. The existing borrowing of the company is within limit specified u/s 293(1)(d) Companies Act, 1956 read with Section 180(1)(C) of Companies Act, 2013.
25. The principal business of the Company is acquisition of shares, stocks, debentures or other securities and the Company is NBFC. Hence provisions of 372(A) Companies Act, 1956 is not applicable to it during the year. However Company maintains register of investment u/s. 372A.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. Since the Company has no employees, the provision of EPF & Miscellaneous Provisions Act, 1952 are not applicable; consequently it was not required to deduct any contribution towards Provident Fund during the Financial Year.

It is stated that the compliance of all the applicable provisions of the Companies Act, 1956 and / or Companies Act, 2013 to the extent applicable is the responsibility of the management. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We 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 its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities/statements of the Company.

Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the Companies Act, 1956 and/or Companies Act, 2013 to the extent applicable.

OSM Investment & Trading Company Limited

Compliance Certificate (Contd.)

ANNEXURE 'A'

Registers/Records as maintained by the Company

1. Register of Investment u/s 49(7).
2. Register of Transfer u/s 108/111.
3. Register of Members u/s 150.
4. Minutes Book of Board Meetings u/s 193.
5. Minutes Book of General Meetings u/s 193.
6. Books of Accounts u/s 209.
7. Register of Notice of Interest given by the Directors u/s 299.
8. Register of Contracts, Companies and firms in which Directors are interested u/s 301.
9. Registers of Directors, Managing Director, Manager and Secretary u/s 303.
10. Register of Directors Shareholding u/s 307.
11. Register of Loans & Investments u/s 372A.
12. Register of Charges u/s 143.
13. Application for and allotment of Shares.
14. Copies of Annual Return u/s 163.

ANNEXURE 'B'

Forms as filed by the Company with Register of Companies (ROC), Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2014.

1. Annual Return Filed in Form No. 20B u/s 159 Companies Act, 1956 on 03-10-2013 for the year ended 31-03-2013.
2. Balance Sheet Filed in Form No. 23AC along with Profit & Loss Account in Form No. 23ACA u/s 220 Companies Act, 1956 on 05-09-2013 for the year ended 31-03-2013.
3. Compliance Certificate Filed in Form No. 66 u/s 383A Companies Act, 1956 on 05-09-2013 for the year ended 31-03-2014.
4. Form 32 for cessation of Director and Appointment of Director filled u/s 303(2) of Companies Act, 1956 read with Section 161(1) of Companies Act, 2013 on 03-03-2014 with ROC.
5. Form 32 filled for change in designation of Director u/s 303(2) of Companies Act, 1956 read with Section 161(1) of Companies Act, 2013 on 04-09-2013 with ROC.
6. Form 32 filled for appointment of Director u/s 303(2) of Companies Act, 1956 and read with Section 161(1) of Companies Act, 2013 on 23-05-2013 with ROC.

Commerce House
7th Floor, Room No.10
2A, Ganesh Chandra Avenue
Kolkata - 700 013

Dated : the 24th day of April, 2014

For D. RAUT & ASSOCIATES
(Company Secretaries)

Name of the Company Secretary : DEBENDRA RAUT
(Proprietor)

C. P. No. : 5232

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, 2014 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit 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.

Emphasis of Matter

We draw attention to Note 13 to the financial statements, which describes non-provision in respect of diminution in the value of certain investments aggregating to Rs. 123.74 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

7, Rabindra Sarani,
Kolkata-700 001.
Dated : 24th April, 2014

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 its 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, 2014 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 : 24th April, 2014

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, 2014

| | Notes | As at | |
|----------------------------------|-------|---------------------|---------------------|
| | | 31st March, 2014 | 31st March, 2013 |
| | | Rs. | Rs. |
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 1,74,04,180 | 1,74,04,180 |
| Reserves & Surplus | 4 | 5,28,38,106 | 4,82,73,509 |
| Non Current Liabilities | | | |
| Long Term borrowings | 5 | 4,07,85,000 | 4,07,85,000 |
| Current Liabilities | | | |
| Other Current Liabilities | 6 | 45,10,000 | 45,10,000 |
| TOTAL | | 11,55,37,286 | 11,09,72,689 |
| 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 | 1,84,244 | 1,19,647 |
| Loan & Advances | 10 | 45,00,000 | — |
| TOTAL | | 11,55,37,286 | 11,09,72,689 |

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
7, Rabindra Sarani,
Kolkata-700 001.
Dated : 24th April, 2014

R. L. AGARWALLA
Proprietor
Membership No. 50516

Brij Mohan Agarwal
Chandra Kumar Vyas } *Directors*

OSM Investment & Trading Company Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| | Notes | For the year ended | |
|---|-------|--------------------|------------------|
| | | 2013-2014 Rs. | 2012-2013 Rs. |
| I. Income | | | |
| Revenue from Operations | 11 | 47,17,824 | 47,32,400 |
| Total Revenue | | 47,17,824 | 47,32,400 |
| II. Expenses | | | |
| Other Expense | 12 | 1,53,227 | 1,42,884 |
| Total Expenses | | 1,53,227 | 1,42,884 |
| Earnings before Interest, Depreciation & Amortisation and Tax (I - II) | | 45,64,597 | 45,89,516 |
| Finance Cost | | — | — |
| Profit before Tax | | 45,64,597 | 45,89,516 |
| Tax Expenses | | | |
| Current Tax | | — | — |
| Total Tax Expense | | — | — |
| Profit for the year | | 45,64,597 | 45,89,516 |
| Earnings per Equity Shares of Face Value of Rs. 10/- each | | | |
| Basic & Diluted (Rs.) | 14 | 2.62 | 2.64 |

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
7, Rabindra Sarani,
Kolkata-700 001.
Dated : 24th April, 2014

R. L. AGARWALLA
Proprietor
Membership No. 50516

Brij Mohan Agarwal
Chandra Kumar Vyas } *Directors*

OSM Investment & Trading Company Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

| | 2013–2014 | 2012–2013 |
|---|--------------------|--------------------|
| | Rs. | Rs. |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Profit / (Loss) before tax | 45,64,597 | 45,89,516 |
| Adjustment for : | | |
| Depreciation | — | — |
| Dividend & Interest Income | (47,17,824) | (47,32,400) |
| Operating Profit/(Loss) before Working Capital Changes | (1,53,227) | (1,42,884) |
| Adjustment for : | | |
| Current Liabilities | — | — |
| Net Cash from Operating Activities (A) | (1,53,227) | (1,42,884) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | — | — |
| Sale of Investments | — | — |
| Dividend Received | 47,17,824 | 47,32,400 |
| Interest Received | — | — |
| Net Cash from Investing Activities (B) | 47,17,824 | 47,32,400 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Loan Given | (45,00,000) | (44,88,000) |
| Net Cash from Financing Activities (C) | (45,00,000) | (44,88,000) |
| Net changes in Cash and Cash equivalents (A+B+C) | 64,597 | 1,01,516 |
| * CASH & CASH EQUIVALENTS–Opening Balance | 1,19,647 | 18,131 |
| * CASH & CASH EQUIVALENTS–Closing Balance | 1,84,244 | 1,19,647 |
| * Represents cash & bank balances as indicated in Note - 9 | | |

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

7, Rabindra Sarani,
Kolkata-700 001.
Dated : 24th April, 2014

Brij Mohan Agarwal
Chandra Kumar Vyas } Directors

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2014

1. Corporate Information

OSM Investment & Trading Company Limited is primarily a NBFC Company under 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, except for the change in accounting policy explained below.

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 '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, 2014 (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 Indian 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, 2014 (Contd.)

| | | For the year ended | |
|--|---|---------------------------|---------------------|
| | | 31st March, 2014 | 31st March, 2013 |
| | | 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

| | 31-03-2014 | | 31-03-2013 | |
|--------------------------------------|------------------|--------------------|------------|-------------|
| | 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 | 17,40,418 | 1,74,04,180 | 17,40,418 | 1,74,04,180 |

(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, 2014, 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

| | 31-03-2014 | | 31-03-2013 | |
|--|------------|-----------|------------|-----------|
| | 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, 2014 (Contd.)

| | For the year ended | | | |
|--|---------------------|---------------------|------------------|--------------------|
| | 31st March, 2014 | 31st March, 2013 | | |
| | 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 | 86,28,000 | 77,08,000 | | |
| Add : Transfer from Statement of Profit & Loss | 9,13,000 | 9,20,000 | | |
| | 95,41,000 | 86,28,000 | | |
| 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 | 2,34,43,449 | 1,97,73,933 | | |
| Profit/(Loss) for the Year | 45,64,597 | 45,89,516 | | |
| Less : Appropriations | 2,80,08,046 | 2,43,63,449 | | |
| Transfer to Reserve Fund | 9,13,000 | 9,20,000 | | |
| Net Surplus/(Deficit) in the Statement of Profit & Loss | 2,70,95,046 | 2,34,43,449 | | |
| Total Reserves and Surplus | 5,28,38,106 | 4,82,73,509 | | |
| | <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) (Interest free) | 45,00,000 | 4,07,85,000 | 45,00,000 | 4,07,85,000 |
| Less : Amount disclosed under the head "Other current Liabilities" | 45,00,000 | — | — | — |
| | <u>—</u> | <u>4,07,85,000</u> | <u>45,00,000</u> | <u>4,07,85,000</u> |

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, 2014 (Contd.)

| | For the year ended | |
|--------------------------------------|---------------------|---------------------|
| | 31st March, 2014 | 31st March, 2013 |
| | Rs. | Rs. |
| 6. Other Current Liabilities | | |
| Current Maturities of long term debt | 45,00,000 | 45,00,000 |
| Audit Fees | 10,000 | 10,000 |
| | 45,10,000 | 45,10,000 |

7. Tangible Assets

| Cost or Valuation | Freehold Land | Others | Total |
|-------------------------------|------------------|-----------|------------------|
| At 1st April, 2012 | 31,45,415 | — | 31,45,415 |
| Additions | — | — | — |
| Disposal | — | — | — |
| At 31st March, 2013 | 31,45,415 | — | 31,45,415 |
| Additions | — | — | — |
| Disposal | — | — | — |
| At 31st March, 2014 | 31,45,415 | — | 31,45,415 |
| | Freehold Land | Buildings | Total |
| Depreciation | | | |
| At 1st April, 2012 | — | — | — |
| Charge for the year | — | — | — |
| Disposal | — | — | — |
| At 31st March, 2013 | — | — | — |
| Additions | — | — | — |
| Charge for the year | — | — | — |
| At 31st March, 2014 | — | — | — |
| Net Block at 31st March, 2013 | 31,45,415 | — | 31,45,415 |
| At 31st March, 2014 | 31,45,415 | — | 31,45,415 |

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

8. Non Current Investments (At Cost) Non Trade

| | No. of Shares | Face Value (Rs.) | As at 31st March, 2014 Rs. | As at 31st March, 2013 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) | 6,38,820 | 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 | | | 16,43,13,503 | 12,02,27,349 |

9. Cash and Bank Balances

Cash and Cash equivalents

| | | |
|--------------------|-----------------|-----------------|
| Balances with bank | 1,78,745 | 1,15,553 |
| Cash on Hand | 5,499 | 4,094 |
| | 1,84,244 | 1,19,647 |

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

| | For the year ended | |
|---|------------------------------|------------------------------|
| | 31st March, 2014 (Rs.) | 31st March, 2013 (Rs.) |
| 10. Loans and Advances (Unsecured Loan) | | |
| Hargaon Investment & Trading Co. Limited (Interest Free) | 45,00,000 | — |
| | 45,00,000 | — |
| 11. Income from Operations | | |
| Dividend on Long Term Investments | 47,17,824 | 47,32,400 |
| | 47,17,824 | 47,32,400 |
| 12. Other Expenses | | |
| Rates & Taxes | 8,000 | 8,800 |
| Payment to Auditors | | |
| Audit Fee | 10,000 | 10,000 |
| In other capacity for certifications & other services | 5,500 | 7,500 |
| Bank Charges | 893 | 1,129 |
| Professional & Consultancy Fees | 6,100 | 6,900 |
| Service Charges | 95,506 | 78,652 |
| Directors Sitting Fees | — | 1,200 |
| Depository Charges | 9,483 | 7,709 |
| Filling Fees | 3,000 | 1,500 |
| Printing & Stationery | 3,350 | 2,960 |
| Miscellaneous Expenses | 10,595 | 16,534 |
| | 1,53,227 | 1,42,884 |

OSM Investment & Trading Company Limited

Notes to Financial Statements for the year ended 31st March, 2014 (Contd.)

13. No Provision has been made in respect of diminution in the value of certain listed investments aggregating to Rs. 123.74 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.

14. Earning per Share (EPS)

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

| | <u>31st March, 2014</u> | <u>31st March, 2013</u> |
|--|-----------------------------|-----------------------------|
| | Rs. | Rs. |
| Total operations for the year | | |
| Profit / (Loss) after tax | 45,64,597 | 45,89,516 |
| Less : Dividends on Preference Shares and Tax thereon | — | — |
| Net profit / (loss) for calculation of basic / diluted EPS | 45,64,597 | 45,89,516 |
| | <u>Nos.</u> | <u>Nos.</u> |
| 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.) | 2.62 | 2.64 |

15. Names of related parties and description of relationships

The Oudh Sugar Mills Limited | Holding Company
 Hargaon Investment Trading Co. Limited |

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) | 4,52,85,000 | — | 4,52,85,000 |
| Hargaon Investment & Trading Co Limited | 45,00,000 | — | 45,00,000 |

16. 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/-)

17. 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 : 24th April, 2014

R. L. AGARWALLA
Proprietor
 Membership No. 50516

Brij Mohan Agarwal
 Chandra Kumar Vyas } *Directors*

OSM Investment & Trading Company Limited

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)

| <u>PARTICULARS</u> | <u>Amount Outstanding</u> | <u>(Rs. in lacs) Amount Overdue</u> |
|--------------------|-------------------------------|---|
| | (As on 31-03-2014) | (As on 31-03-2014) |

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 | Nil | Nil |
| (Other than falling within the meaning of Public Deposits) | | |
| (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)

| | |
|---------------|-------|
| (a) Secured | Nil |
| (b) Unsecured | 45.00 |

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 |

