

# KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

35<sup>th</sup>  
Annual  
Report  
2016-17

## **BOARD OF DIRECTORS**

**Ms. Ruchika Oswal**

**Sh. Navdeep Sharma**

**Sh. Gagnish Kumar Bhalla**

**Sh.Pawan Kumar sharma**

### **REGISTERED OFFICE**

Premises of Oswal Woollen Mills Limited,  
G.T. Road, Sherpur, Ludhiana-141003,  
Punjab

### **BANKERS**

Allahabad Bank  
ICICI Bank Ltd

### **AUDITORS**

M/s. Gupta Vigg & Co.,  
Chartered Accountants,  
101-Kismat Complex,  
G.T. Road, Miller Ganj,  
LUDHIANA – 141 003

## **35<sup>th</sup> ANNUAL GENERAL MEETING**

Day : Wednesday

Date : 27<sup>th</sup> September, 2017

Time : 4.00 P.M

Place : At Registered Office:  
Premises of Oswal Woollen Mills Ltd,  
G.T.Road, Sherpur, Ludhiana- 141003  
Punjab

**NOTICE**

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of Kovalam investment & Trading Company Limited will be held at Regd. Office of the Company i.e at the premises of Oswal Woollen Mills Ltd, G.T Road, Sherpur, Ludhiana ,on Wednesday the 27<sup>th</sup> day of September 2017 at 4:00 PM to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the standalone as well as consolidated financial statements for the financial year ended on 31.03.2017 and the Reports of Board of Directors and Auditors thereon.
2. To appoint Director in place of Sh Pawan Kumar Sharma ( DIN No.07163131) who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint the auditors of the Company, and to fix their remuneration.

**Explanation:** The Companies Act, 2013 ('the Act') was notified effective April,1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made there under, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, Gupta Vigg & Co, Chartered Accountants (Firm registration number : 001393N) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 35<sup>th</sup> AGM.

The audit committee of the Company has proposed and the Board has recommended the appointment of YAPL & CO, Chartered Accountants (Firm registration number: 017800N) as the statutory auditors of the Company. Auditors will hold office for a period of five consecutive years from the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company, till the conclusion of the 40<sup>th</sup> Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31,2018.

Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as ordinary resolution:

**RESOLVED THAT** , pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, and pursuant to the proposals of the audit committee of the Board and recommendation of the Board, YAPL & CO, Chartered Accountants (Firm registration number : 017800N ) be and is hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years commencing from the financial year 2017-18 from the conclusion of 35<sup>th</sup> Annual General Meeting till the conclusion of 40<sup>th</sup> Annual General Meeting of the Company to be held in the Year,2022, subject to ratification of their appointment by the members at every Annual General Meeting held after this Annual General Meeting at such remuneration and other expenses as mutually agreed by the audit committee and the Auditors

**For and on behalf of the Board**

<p><b>Palce: Ludhiana</b> <b>Date : 01.09.2017</b></p>	<p><b>Sd/-</b> <b>Navdeep Sharma</b> <b>Chairman</b> <b>( DIN :0454285)</b></p>
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**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. The blank proxy form is enclosed.  
  
A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Route Map to reach the venue of the Annual General Meeting including prominent land mark

- for easy location, is provided at the end of Annual Report
5. The register of members and share transfer books of the company shall remain closed from 21<sup>st</sup> September 2017 to 23<sup>rd</sup> September 2017 (both days inclusive) for AGM purpose.
  6. The documents referred to in the explanatory statement are open for inspection at the Registered office of the company on any working day (except holiday) between 10 AM to 1.00 P M upto the date of annual general meeting.
  7. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email ids are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
  8. Members are requested to bring their attendance slip alongwith their copy of Annual Report to the meeting.
  9. All the documents/Statutory records shall be produced at the commencement of the meeting and shall remain open and assessable during the continuance of the meeting.
  10. Members seeking any information with regard to annual accounts at the time of meeting are requested to send their queries to the company at least seven days before the date of meeting so as to enable the management to keep the relevant information ready.
  11. The Register under Section 189(4) of the Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.
  12. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
  13. Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2016-17 will also be available on the Company's website i.e. [www.owmnahar.com](http://www.owmnahar.com). The above said Notice will also be available on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com).
  14. The facility for voting via ballot or polling paper shall also be made available at the meeting and the members attending the meeting who have not already as their vote by remote e-voting shall be able to exercise their right at the meeting.
  15. The members who have cast their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.
  16. Members are requested to notify the change in their address, if any, to the company at the earliest.
  18. To avail the facility of nomination the members are requested to send us duly filled and signed nomination form ( Form No. SH- 13.)
  19. **The instructions for shareholders voting electronically are as under:**
    - (i) The voting period begins on 24.09.2017 from 9.00 AM and ends on 26.09.2017 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
    - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote again at the meeting venue.
    - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iv) Click on Shareholders.
    - (v) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (vi) Next enter the Image Verification as displayed and Click on Login.
    - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and

voted on an earlier voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **Kovalam Investment And Trading Company Limited** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.

Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android, Apple and Windows based mobiles. The m- Voting app can be downloaded from Google Play Store, App Store and the Windows Phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. The list of accounts Linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have

issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

should treat this Notice for information purposes only.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e 20.09.2017 may follow the same instructions as mentioned above for e-Voting.

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

**Other instructions:**

(xxiii) Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut off date.

(xxiv) Mr. P.S. Dua, Practicing Company Secretary (Membership NO. FCS 4552), will act as a Scrutinizer to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).

(xxv) The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not alter than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favour or against, if any, forthwith to the Chairman of the Company.

(xxvi) The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. [www.owmnahar.com](http://www.owmnahar.com) and on the website of CDSE i.e. [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.

(xxvii) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 35<sup>th</sup>. Annual General Meeting i.e. 29<sup>th</sup>. September, 2017.

(xxviii) A person who is not a Member as on the cut off date i.e 20<sup>th</sup> September, 2017

## DIRECTOR'S REPORT

To the members

Your directors present the 35<sup>th</sup> Annual Report together with the audited accounts of the company for the year ended 31<sup>st</sup> March 2017.

## WORKING RESULTS

The working results of the company for the year under report are as under:-

(Amount in Rupees)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Gross Income	24806079	24584432
Profit before tax	16480486	23189019
<b>Less</b> : Provision for income tax	(6315375)	(6666678)
Profit after Tax for the year	10165111	16522341
<b>Add</b> : Balance B/F from previous year	52094002	38849412
Available for appropriation	62259113	55371753
Income tax adjustments for prior periods	3	27249
Transferred to Statutory Reserve Fund	(2034000)	(3305000)
Balance carried forward	<b>60225116</b>	<b>52094002</b>

## OPERATIONS

During the year under review the company's funds remained invested in Shares, Loans and Advances. The dividend income earned was Rs.3393683/- (previous year 10,89,447/-). The interest income earned was Rs.11267246 /- (previous years Rs. 1,09,57,324 /-). During the year the company also earned brokerage income of Rs 9982911 /- (net of service tax) on mobilization of funds of third parties (previous year 1,02,91,960 /-).

## NBFC REGISTRATION WITH RESERVE BANK

The company is a NBFC (non public deposit accepting company) registered with RBI vide Registration No. N-06.00576 Dated 17.10.2003.

## PUBLIC DEPOSITS

During the year, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**SHARE CAPITAL**

The paid up Equity Share Capital as at 31<sup>st</sup> March, 2017 remained unchanged and stood at Rs. 2,22,39,140/- divided into 2223914 Equity Shares of the face value of Rs. 10/- each. During the year, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY.**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements.

**DIVIDEND**

Your directors do not recommend any dividend for the year under consideration

**DIRECTORS**

Sh Pawan Kumar Sharma (DIN: 07163131) director of the company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment. The board recommended his re- appointment to the members of the company at the ensuing Annual General Meeting.

**DECLARATION BY INDEPENDENT DIRECTORS**

Necessary declaration has been obtained from all Independent Directors under sub-section (6) of Section 149 of the Companies Act, 2013.

**NUMBER OF MEETINGS OF THE BOARD**

During the year seven meetings of the board were convened and held on 30.04.2016, 28.05.2016, 12.08.2016, 02.09.2016, 16.09.2016, 12.11.2016, and 13.02.2017, The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The company's Independent Directors held their meeting on 10.11.2016 without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting and, they:

- 1 Reviewed the performance of non-Independent directors and the Board as a whole;
- 2 Assessed the quality and timeliness of the flow of information between the company's

Management and the Board which is necessary for the Board to effectively and reasonably perform their duties

**Board Evaluation**

Pursuant to the provisions of Companies Act, 2013, the Company has devised a policy for performance evaluation of Independent Directors and the Board.

**CORPORATE GOVERNANCE**

In view of the SEBI circular No. CIR/CFD/POLICY CELL/2/2014 dated 17.04.2014 which was further clarified/ revised vide SEBI circular No. CIR/CFD/POLICY CELL/7/2014 /dated 15.09.2014 the Corporate Governance clause under the listing agreement is not applicable to our company as the paid-up equity capital is less than Rs.10 Crores. and net worth of the company is less than 25 crores as on 31.03.2017.

**DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors make the following statement in terms of Section 134(3)(c) & 5 of the Companies Act, 2013:-

- a) that in the preparation of the Annual Accounts for the year ended on 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) 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 31<sup>st</sup> March, 2017 and of the profit of the Company for the year ended on that date;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that annual accounts have been prepared on a going concern basis.
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is enclosed to this Report



as Annexure--1 and forms an integral part of this Report.

#### **RELATED PARTY TRANSACTIONS**

The related party transactions have been elaborated and listed out in the financial statements at Note No. 16 and which are at arms length price.

#### **AUDIT COMMITTEE**

The Company has constituted an Audit Committee pursuant to Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

Presently, the Audit Committee consists of Navdeep Sharma, Gagnish Bhalla who are independent Directors and Sh. Pawan Kumar Sharma who is non Executive director.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company is having adequate internal control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures that the internal control systems are properly followed by all concerned departments of the Company

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The CSR is not applicable to the Company.

#### **NOMINATION AND REMUNERATION COMMITTEE AND POLICY.**

As required u/s 178 of the Companies Act 2013, the company has constituted nominations & remuneration committee. Presently the committee comprises of two independent directors Sh.Navdeep Sharma and Sh. Gagnish Kumar Bhalla and Sh. Pawan Kumar Sharma as non Executive Director. Further, on the recommendation of Nomination and Remuneration Committee, the board has already framed a policy for selection and appointment of Directors, Key Management Personnels & Senior Management and their remuneration.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s P.S Dua & The Associates ,Company Secretaries in wholetime Practice to undertake the Secretarial Audit. The Secretarial Audit Report in form MR-3 is enclosed

herewith as Annexure- 2 and forms an integral part of this Report. The report is self explanatory.

#### **LISTING AGREEMENT**

To streamline the provisions of the Listing Agreement and its better enforceability the Securities and Exchange Board of India (SEBI), on September, 2, 2015 issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The said Regulation became effective from 1<sup>st</sup>. December, 2015. In compliance of the said Regulations, the company has entered into Listing Agreement with the BSE Ltd. on 23<sup>rd</sup>. February, 2016.

#### **DEMATERIALISATION OF SECURITIES**

Your Company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. The shareholders who have not gone in for dematerialization of shares till date, are requested to opt for dematerialization of the shares at the earliest.

Further, as per SEBI circular No. D&CC/FITTC/CIR-15/2002 dated 27<sup>th</sup>. December, 2002, Company has appointed M/s. Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat / Remat, Change of Address etc. to our Registrar of below mentioned address:

M/s. Alankit Assignments Limited.  
(Unit: Kovalam Investment & Trading Co. Ltd.)  
Alankit House, 1E/13, Jhandewalan Extension  
New Delhi-110 055

Telephone No. : (011) 42541234  
Fax No. : (011) 42541201  
E-mail address : [rta@alankit.com](mailto:rta@alankit.com)

In case any query/complaint remains unresolved with our Registrar please write to Company at the Registered Office of the Company.

#### **ASSOCIATE COMPANIES**

The company has one Associate company i.e Hug Foods Pvt Ltd, as per section 2(6) of the Companies Act, 2013.

#### **AUDITORS & AUDITOR'S REPORT**

Companies Act, 2013 ('the Act') was notified effective April,1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act



and the Rules made there under, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, Gupta Vigg & Co, Chartered Accountants (Firm registration number : 001393N) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 35<sup>th</sup> AGM.

The audit committee of the Company has proposed and the Board has recommended the appointment of YAPL & Co. Chartered Accountants (Firm registration number : 017800N ) as the statutory auditors of the Company. Auditors will hold office for a period of five consecutive years from the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company, till the conclusion of the 40<sup>th</sup> Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31,2018.

Therefore, approval of the shareholders is sought in the AGM:

The Company has obtained from the auditors a written consent and a certificate as required under Section 139 the Companies Act, 2013 to the effect that their appointment, if made, would be within the limits and in accordance with the conditions specified under section 141(3) (g) of the Companies Act, 2013.

Further, the Auditor's Report on the Accounts of the Company for the year under review is self explanatory and requires no comments.

#### **KEY MANAGERIAL PERSONNEL**

As on date the Board of Directors of the company are the key management personnel's of the company. Also please refer to the secretarial audit report.

#### **PARTICULARS OF EMPLOYEES**

None of the employees of the Company is covered under section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment & remuneration of managerial personnel) rules.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, are not applicable and hence no disclosure is required.

#### **LISTING FEES**

Your company's shares are listed on the Stock Exchange, Mumbai and the listing fee for the financial year 2017-2018 has been paid.

#### **ACKNOWLEDGEMENT**

The Directors of the company wish to place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the company.

**For and on behalf of the Board**

**Pace : Ludhiana**

**Date : 01.09.2017**

**Sd/-  
Navdeep Sharma  
Chairman  
( DIN : 0454285)**

## ANNEXURE TO THE DIRECTORS' REPORT

## Annexure 1

## Form MGT 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:									
CIN					L65910PB1981PLCO23058				
Registration Date					28.11.1981				
Name of the Company					KOVALAM INVESTMENT AND TRADING COMPANY LTD				
Category/Sub-Category of the Company					COMPANY HAVING SHARE CAPITAL				
Address of the Registered office and contact details					PREMISES OSWAL WOOLLEN MILLS LTD, G.T ROAD , SHERPUR , LUDHIANA.141003. PUNJAB. PHONE: 0161 5066605, FAX : 0161 5066602 E MAIL : <a href="mailto:KOVALAM@OWMNAHAR.COM">KOVALAM@OWMNAHAR.COM</a>				
Whether listed company					YES				
Name, Address and Contact details of Registrar and Transfer Agent, if any					M/s. Alankit Assignments Limited (Unit: Kovalam Investment & Trading Co. Ltd.) Alankit House, 1E/13, Jhandewalan Extension New Delhi-110 055  Telephone No. : (011) 42541234 Fax No. : (011) 42541201 E-mail address : <a href="mailto:rta@alankit.com">rta@alankit.com</a>				
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:									
All the Business Activities contributing 10% or more of the total turnover of the Company (on standalone basis) are given below:									
SI No.	Name and Description of main products/ services				NIC Code of the Product/ Service		% to total turnover of the Company		
1	INVESTMENT AND FINANCIAL SERVICES				6430		100		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:									
Name and Address of the Company				CIN/ GLN		Holding/ Subsidiary/ Associate	% of shares held	Applicable Section	
Hug Foods Private Limited				U55100PB2011PTC035473		Associate	24 %	SECTION 2(6)	
IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY									
i) Category- wise shareholding									
Category of Shareholders	No. of shares held at the beginning of the year (April 1, 2016)				No. of shares held at the end of the year (March 31, 2017)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1)Indian :</b>									
a) Individual/ HUF	0	79530	79530	3.58	0	79530	79530	3.58	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	1587460	1587460	71.38	0	1587460	1587460	71.38	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	0	1666990	1666990	74.96	0	1666990	1666990	74.96	0

<b>(2) Foreign :</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A)= (A) (1)+(A) (2)	0	1666990	1666990	74.96	0	1666990	1666990	74.96	0
<b>B. Public Shareholding</b>									
<b>(1) Institutions :</b>									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)	0	0	0	0	0	0	0	0	0
<b>(2) Non-Institutions :</b>									
a) Bodies Corporate									
i) Indian	0	78100	78100	3.51	0	78100	78100	3.51	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	379424	379424	17.06	0	3794234	379424	17.06	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	99400	99400	4.47	0	99400	99400	4.47	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2)</b>	0	556924	556924	25.04	0	556924	556924	25.04	0
<b>Total Public Shareholding (B)= (B) (1)+ (B) (2)</b>	0	556924	556924	25.04	0	556924	556924	25.04	0
<b>C. Shares held by Custodian for</b>	0	0	0	0	0	0	0	0	0

<b>GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>2223914</b>	<b>2223914</b>	<b>100</b>	<b>0</b>	<b>2223914</b>	<b>2223914</b>	<b>100</b>	<b>0</b>

## ii) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year (April 1, 2016)			Shareholding at the end of the year (March 31, 2017)			% change in shareholding during the year
	No. of shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
ABHILASH GROWTH FUND PVT LTD	73850	3.32	0	73850	3.32	0	0
J.L GROWTH FUND LTD	91130	4.10	0	91130	4.10	0	0
NAHAR GROWTH FUND P LTD	20000	0.90	0	20000	0.90	0	0
GIRNAR INVESTMENT LTD	160035	7.20	0	160035	7.20	0	0
NAGDEVI TRADING & INVESTMENT CO. LTD	830685	37.35	0	830685	37.35	0	0
VANAIAK INVESTORS LTD	123360	5.55	0	123360	5.55	0	0
SANKESHWAR HOLDING CO. LTD	176400	7.93	0	176400	7.93	0	0
ATAM VALLABH FINANCIERS LTD	15000	0.67	0	15000	0.67	0	0
VARDHMAN INVESTMENTS LTD	10000	0.45	0	10000	0.45	0	0
SH. JAWAHARLAL OSWAL	30000	1.35	0	30000	1.35	0	0
SH. KAMAL OSWAL	19600	0.88	0	19600	0.88	0	0
SH. DINESH OSWAL	29930	1.35	0	29930	1.35	0	0
OSWAL WOOLLEN MILLS LTD	87000	3.91	0	87000	3.91	0	0
TOAL	1666990	74.96	0	1666990	74.96	0	

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

**There is no change in total Promoters Shareholding during the year ,**

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

## iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company

HANUMAN JHUNJHUNWALA	71000	3.92	NA	NIL	NA	71000	3.92
FAYETTE TRADING & INVESTMENT CO. LTD	42600	1.92	NA	NIL	NA	42600	1.92
SUBASH MADAN	28400	1.28	NA	NIL	NA	28400	1.28
CROUSE INVESTMENT PVT LTD	24850	1.12	NA	NIL	NA	24850	1.12
JAGDISH MAL LODHA	14200	0.64	NA	NIL	NA	14200	0.64
CHAND RATAN BIYANI	14200	0.64	NA	NIL	NA	14200	0.64
KAMAL HOLDING CO. LTD	10650	0.48	NA	NIL	NA	10650	0.48
DALIP PATHAK	6390	0.29	NA	NIL	NA	6390	0.29
NIRMALA PETER	710	0.03	NA	NIL	NA	710	0.03
JOHN PETER	710	0.03	NA	NIL	NA	710	0.03

Note:

v) Shareholding of Directors and Key Managerial Personnel

---- NIL-----

Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
----NIL----		-----NIL -----		----NIL ----		---- NIL -----	

Note:

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

---NIL---

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the year</b>				
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:				
A. Remuneration to Managing Director, Whole Time Directors and/ or Manager				
				(Rs Lakh)
Particulars of Remuneration				Total Amount
1. Gross Salary				
a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2. Stock Options	NIL	NIL	NIL	NIL
3. Sweat Equity	NIL	NIL	NIL	NIL
4. Commission				
- as % of profit	NIL	NIL	NIL	NIL
- others, specify	NIL	NIL	NIL	NIL
5. Others, please specify				
a) Retiral benefits	NIL	NIL	NIL	NIL
TOTAL (A)	NIL	NIL	NIL	NIL
Ceiling limit	The remuneration to Managing Director and Whole Time Directors has been paid within the limits approved by the Central Government in each case. ----- NA-----			
B. Remuneration to Other Directors				
1. Independent Directors(Rs. In lacs)				
Particulars of Remuneration				Total amount (Rs. Lakh)
- Fee for attending Board/ Committee Meetings	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL
TOTAL (B)(1)	NIL	NIL	NIL	NIL
2. Other Non-Executive Directors				
				(Rs. In lacs)
Particulars of Remuneration				Total amount (Rs. Lakh)
- Fee for attending Board/ Committee Meetings	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL
TOTAL (B)(2)	NIL	NIL	NIL	NIL
TOTAL (B)= (B)(1)+(B)(2)				NIL
Overall Ceiling as per the Act		. -----NA-----		
C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD				
THE WORKING IS CONTROLLED BY THE BOARD OF DIRECTORS				
				(Rs. In lacs)
Particulars of Remuneration				Total amount (Rs. Lakh)
1. Gross Salary				
d) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	NIL		NIL	NIL
e) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	NIL		NIL	NIL

f) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	NIL	NIL	NIL
2. Stock Options	NIL	NIL	NIL
3. Sweat Equity	NIL	NIL	NIL
4. Commission			
- as % of profit	NIL	NIL	NIL
- others, specify	NIL	NIL	NIL
5. Others, please specify			
a) Retiral benefits	NIL	NIL	NIL
TOTAL (C )	NIL	NIL	NIL

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authorities (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty/ Punishment / Compounding		NONE			
B. DIRECTORS					
Penalty/ Punishment / Compounding		NONE			
C. OTHER OFFICERS IN DEFAULT					
Penalty/ Punishment / Compounding		NONE			



## Annexure - 2

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To

The Members

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED****(CIN: L65910PB1981PLC023058)****Premises Oswal Woollen Mills Limited****G T Road, Sherpur, Ludhiana.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED** (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under were not attracted during the audit period as there was no instance of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as informed to us.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable as the Company has not issued any securities during the audit period;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company has not granted any options to its employees during the audit period;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued any debt securities during the audit period;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its equity shares during the audit period; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable as the Company has not bought back any of its securities during the audit period.
- (VI) Reserve Bank of India Act, 1934 and Guidelines made there under.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with Stock Exchange.

(Regulation 15 of SEBI (LODR) Regulations, 2015 is not applicable to the Company as the paid up equity share capital and net worth of the company is less than Rs. 10 Crores and Rs. 25 Crores respectively.)

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

1. The Company has not appointed whole Time Key Managerial Personnel as required under the provisions of Section 203 of the Companies Act, 2013 and compliance officer appointed is not a qualified Company Secretary as per Regulation 6(1) of SEBI (LODR) Regulations, 2015.

#### **We further report that**

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

Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were available at the meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board of Directors were approved unanimously or by majority and same were captured and recorded as part of the minutes.

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

Place: Ludhiana

Sd/-

Date: 01.09.2017

Name of Company Secretary in Practice: - P. S. Dua

FCS No. 4552

C P No. 3934

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

To

**Annexure A to Secretarial Audit Report**

**The Members**

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

**Premises of Oswal Woollen Mills Limited**

**G T Road, Sherpur, Ludhiana**

**(CIN: L65910PB1981PLC023058)**

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained and relied on the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P. S. Dua & Associates**

**Sd/-**

**Company Secretaries**

Date : 01.09.2017

Place: Ludhiana

**GUPTA VIGG & CO.**  
**Chartered Accountants**  
**K-101, Kismat Complex, G.T. Road,**  
**Miller Ganj, LUDHIANA-141 003.**

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[Phones: 0161-2532297, 2535156]

**Independent Auditor's Report**

**To the Members of Kovalam Investment And Trading Company Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Kovalam Investment And Trading Company Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention that the company is required to appoint the KMP (Key Managerial Personnel) u/s 203 of the Companies Act, 2013 which have not been appointed by the company. As explained by the management, the company is in the process of appointment of KMP's. 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and 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 as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note [22];

For Gupta Vigg & Co.  
Chartered Accountants  
Firm Regn.No.001393N

(CA. Vinod Khanna)  
Partner  
M.No.81585

Dated: 29.05.17  
Place : Ludhiana

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) The Company does not have any fixed assets. Hence, the clause is not applicable to the company.
- (ii) The Company does not have any Inventories. Hence, the clause is not applicable to the company.
- (iii) (a) The Company has granted loans to one bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (b) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (c) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

- (d) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to information and explanation given to us, The Company has not accepted any deposits from the public during the year covered under the provisions of section 73 or 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, there are no dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes.
- (viii) The Company has not taken any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid/provided for any managerial remuneration. Hence the clause is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and the registration has been so obtained.

For Gupta Vigg & Co.  
Chartered Accountants  
Firm Regn.No.001393N

(CA. Vinod Khanna)  
Partner  
M.No.81585

Dated: 29.05.2017  
Place : Ludhiana

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Kovalam Investment And Trading Company Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta Vigg & Co.  
Chartered Accountants  
Firm Regn.No.001393N

(CA. Vinod Khanna)  
Partner  
M.No.81585

Dated:29.05.2017  
Place : Ludhiana

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED****BALANCE SHEET AS AT 31.03.2017**

PARTICULARS	Refer Note No.	Amount (Rs.)	
		AS AT 31.03.2017	AS AT 31.03.2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<u>Shareholders' Funds</u>			
Share Capital	1	22,239,140.00	22,239,140.00
Reserve and Surplus	2	223,209,076.05	213,043,962.05
		245,448,216.05	235,283,102.05
<u>Current Liabilities</u>			
Other Current Liabilities	3	43,602.59	297,498.00
Short Term Provisions	4	6,640,375.00	7,005,078.00
		6,683,977.59	7,302,576.00
Total Equity and Liabilities		252,132,193.64	242,585,678.05
<b><u>ASSETS</u></b>			
Non Current Investments	5	111,132,189.13	117,660,989.13
Deferred Tax Asset (Net)	6	792,838.00	792,838.00
		111,925,027.13	118,453,827.13
<u>Current Assets</u>			
Cash and Cash Equivalents	7	388,921.98	1,066,328.25
Short Term Loans and Advances	8	130,000,000.00	112,800,000.00
Other Current Assets	9	9,818,244.53	10,265,522.67
		140,207,166.51	124,131,850.92
Total Assets		252,132,193.64	242,585,678.05

Significant Accounting Policies Notes on  
Financial Statements

1 To 23

AS per our Report of even date annexed

**FOR GUPTA VIGG & COMPANY**

Chartered Accountants

FRN - 001393N

**FOR KOVALAM INVESTMENT AND TRADING CO. LTD.**

(VINOD KHANNA)

Partner

M.No.081585

(NAVDEEP SHARMA)

DIRECTOR

DIN - 00454285

(PAWAN KUMAR SHARMA)

DIRECTOR

DIN - 07163131

Place : Ludhiana  
Dated: 29.05.2017

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017**

Amount (Rs.)			
PARTICULARS	Refer	AS AT	AS AT
	Note No.	31.03.2017	31.03.2016
<b><u>INCOME</u></b>			
<u>Revenue from Operations</u>			
Income from Brokerage (Gross)		11,477,611.72	11,468,123.04
Less: Service Tax		<u>(1,494,700.33)</u>	<u>(1,176,162.97)</u>
		9,982,911.39	10,291,960.07
Other Operating Income	10	14,660,929.50	12,046,770.50
Other Income	11	<u>162,237.95</u>	<u>2,245,702.00</u>
Total Revenue		<u><u>24,806,078.84</u></u>	<u><u>24,584,432.57</u></u>
<b><u>EXPENSES</u></b>			
Employee Benefits expenses	12	1,020,000.00	720,000.00
Other Expenses	13	<u>7,305,592.84</u>	<u>675,414.00</u>
Total Expenses		<u><u>8,325,592.84</u></u>	<u><u>1,395,414.00</u></u>
<b>Profit before tax</b>		16,480,486.00	23,189,018.57
Tax Expense:			
Current Tax		<u>(6,315,375.00)</u>	<u>(6,666,678.00)</u>
<b>Profit for the period</b>		<u><u>10,165,111.00</u></u>	<u><u>16,522,340.57</u></u>
Earnings per equity share:			
Basic and Diluted		4.57	7.44

Significant Accounting Policies Notes on  
Financial Statements

1 To 23

AS per our Report of even date annexed  
**FOR GUPTA VIGG & COMPANY**  
Chartered Accountants  
FRN - 001393N

**FOR KOVALAM INVESTMENT AND TRADING CO. LTD.**

(VINOD KHANNA)  
Partner  
M.No.081585

(NAVDEEP SHARMA)  
DIRECTOR  
DIN - 00454285

(PAWAN KUMAR SHARMA)  
DIRECTOR  
DIN - 07163131

Place : Ludhiana  
Dated: 29.05.2017

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED - 31.03.2017****(Amount in Rs.)**

<b>PARTICULARS</b>	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & Extra Ordinary items	16,480,486	23,189,019
Adjustments for		
1. Depreciation and Non cash expenses	0	(2,000,000)
2. Provision for Standard Asset	(13,400)	96,900
3. Diminuation in Permanent Nature	6,528,800	0
4. Profit/Loss on Sale of Investments	0	0
5. Dividend	(3,393,684)	(1,089,446)
6. Interest (Net)	(11,267,246)	(10,957,324)
Operating Profit before working capital changes:	8,334,956	9,239,149
Adjustments for		
1. Trade & other receivable	(193,462)	5,175,469
2. Inventories	0	0
3. Trade payables	(253,896)	(4,406,963)
4. Deferred payment expenses	0	0
Cash generated from operations	7,887,598	10,007,655
Taxes paid	(6,025,935)	(7,835,765)
Net cash from operating activities	1,861,663	2,171,890
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Change in Loans and Advances	(17,200,000)	(14,200,000)
Purchase of Investments	0	(5,085,822)
(including Profit on sale of Investment)		0
Interest received	11,267,246	10,957,324
Dividend received	3,393,684	1,089,447
Net cash from operating activities	(2,539,070)	(7,239,051)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash used in Financing Activities	0	0
Net Change in Cash and Cash Equivalents [A + B + C]	(677,407)	(5,067,161)
Cash and Cash equivalents as at beginning of the year	1,066,329	6,133,490
Cash and Cash equivalents as at close of the year	388,922	1,066,329

**NOTES:**

- Figures in brackets represent cash out flows.
- The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

As per Our report of even date annexed.

**FOR GUPTA VIGG & CO.**

Chartered Accountants

FRN-001393N

**KOVALAM INVESTMENT AND TRADING CO. LTD.****(NAVDEEP SHARMA)****DIRECTOR****DIN - 00454285****(PAWAN KUMAR SHARMA)****DIRECTOR****DIN - 07163131****(VINOD KHANNA)****PARTNER**

M.No.081585

Place: Ludhiana

Dated : 29.05.2017

# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

## **Note : 1.1 SHARE CAPITAL**

PARTICULARS	Amount (Rs.)			
	AS AT 31.03.2017		AS AT 31.03.2016	
	Number	Rs.	Number	Rs.
<u>Authorised</u>				
Equity Share of Rs.10/- each	3000000	30,000,000.00	3000000	30,000,000.00
	3000000	30,000,000.00	3000000	30,000,000.00
<u>Issued, Subscribed &amp; Paid up</u>				
Equity Shares of Rs.10/- each fully paid up	2223914	22,239,140.00	2223914	22,239,140.00
	2223914	22,239,140.00	2223914	22,239,140.00

Note: 1.2 Reconciliation of Shares Outstanding at the beginning and at the end of the reporting period

PARTICULARS	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	2223914	22,239,140.00	2223914	22,239,140.00
Share issued during the year	Nil	0.00	Nil	0.00
Shares outstanding at the end of the year	2223914	22,239,140.00	2223914	22,239,140.00

## Note:

In view of Clause 40A of the listing agreement and in view to increase the public shareholding to the minimum requirement of 25% the Company had issued 517704 Equity shares of Rs.10/- each on 08.08.2013 as Bonus Share to the public shareholders, promoters forgoing their rights.

Note: 1.3 Name of Shareholders holding more than 5% Shares of the Company

Name of Shareholders	As at 31st. March,2017		As at 31st. March,2016	
	No.of Shares Held	% of Holding	No.of Shares Held	% of Holding
Nagdevi Trading and Investment .				
Company Limited	830685	37.35	830685	37.35
Sankheshwar Holding Co. Ltd.	176400	7.93	176400	7.93
Girnar Investment Ltd.	160035	7.20	160035	7.20
Vanaik Investors Ltd.	123360	5.55	123360	5.55

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS	Amount (Rs.)	
	AS AT	AS AT
	31.03.2017	31.03.2016
<u>Note: 2 Reserves &amp; Surplus</u>		
<u>General Reserves</u>		
Opening Balance	118,140,960.00	118,140,960.00
Closing Balance ( A )	<u>118,140,960.00</u>	<u>118,140,960.00</u>
<u>Statutory Reserves Fund</u>		
Opening Balance	42,809,000.00	39,504,000.00
(+) Current Year Transfer	<u>2,034,000.00</u>	<u>3,305,000.00</u>
Closing Balance ( B )	<u>44,843,000.00</u>	<u>42,809,000.00</u>
<u>Surplus</u>		
Opening Balance	52,094,002.05	38,849,412.48
(+) Profit for the year	10,165,111.00	16,522,340.57
Income-tax Adjustments for prior periods	3.00	27,249.00
(-) Statutory Reserves Fund	<u>(2,034,000.00)</u>	<u>(3,305,000.00)</u>
Closing Balance ( C )	<u>60,225,116.05</u>	<u>52,094,002.05</u>
 TOTAL:- ( A + B + C )	 <u>223,209,076.05</u>	 <u>213,043,962.05</u>
<u>Note: 3 Other Current Liabilities</u>		
Cheques issued but not presented for payment	0.00	247,530.00
Raj Gupta & Co.	0.00	5,725.00
Gupta Vigg & Co, Ludhiana	0.00	344.00
Mastermind Advertising Pvt. Ltd	0.00	8,460.00
Statutory Audit fee payable	23,000.00	17,175.00
Tax Audit fee payable	4,600.00	4,580.00
Tax Deducted at Sources Payable	16,000.00	8,174.00
Expenses Payable	<u>2.59</u>	<u>5,510.00</u>
	<u>43,602.59</u>	<u>297,498.00</u>

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS	Amount (Rs.)	
	AS AT	AS AT
	31.03.2017	31.03.2016
<u>Note: 4 Short Term Provisions</u>		
Provision for Standard Asset	325,000.00	338,400.00
Provisions for Income-tax	6,315,375.00	6,666,678.00
	<u>6,640,375.00</u>	<u>7,005,078.00</u>
<u>Note: 5 Non Current Investments</u>		
<u>Trade Investments (Refer A below)</u>		
Investment in Equity Instruments	11,154,401.42	11,154,401.42
( A )	<u>11,154,401.42</u>	<u>11,154,401.42</u>
<u>Other Investments (Refer B below)</u>		
Investment in Equity Instruments	106,501,587.71	106,501,587.71
Diminuation in Permanent Nature	(6,528,800.00)	0.00
	99,972,787.71	106,501,587.71
Investment in Preference Shares	5,000.00	5,000.00
( B )	<u>99,977,787.71</u>	<u>106,506,587.71</u>
TOTAL:- ( A + B )	<u>111,132,189.13</u>	<u>117,660,989.13</u>
Aggregate amount of quoted investments	107,762,774.13	107,762,774.13
(Market value of quoted investments Rs. 34,38,82,778-70 Previous Rs.17,87,41,945-40)		
Aggregate amount of unquoted investments	3,369,415.00	9,898,215.00
<u>Note: 5.1</u>		
Note: The Market Value of quoted investments is based on the price prevailing in the market as on 31st. March, 2017.		
<u>Note: 6 Deferred Tax Assets</u>		
As per Accounting standard 2, of the Institute of Chartered Accountants of India, is as under:-		
<u>Deferred Tax Assets</u>		
Opening Balance	792,838.00	792,838.00
Timing difference on account of		
Short Term Capital Loss/Gain	0.00	0.00
	<u>792,838.00</u>	<u>792,838.00</u>
<u>Note: 7 Cash and Cash Equivalents</u>		
a) <u>Balances with Banks</u>		
<u>In Current Account</u>		
Allahabad Bank, Ludhiana	358,266.87	1,040,622.14
ICICI Bank Ltd., Ludhiana	108.54	108.54
b) Cash in hand	3,546.57	25,597.57
c) Cheques in hand	27,000.00	0.00
	<u>388,921.98</u>	<u>1,066,328.25</u>



**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS	Amount (Rs.)	
	AS AT 31.03.2017	AS AT 31.03.2016
<u>Note: 8 Short Term Loans and Advances</u>		
<u>Unsecured, considered good</u>		
<u>Loan to Other Related Party/Group Company</u>		
Oswal Woollen Mills Ltd.	130,000,000.00	112,800,000.00
	<u>130,000,000.00</u>	<u>112,800,000.00</u>
<u>Note: 9 Other Current Assets</u>		
Advance Income-tax & TDS	6,122,325.00	6,763,065.00
Brokerage receivable	1,159,417.86	1,013,047.67
Interest Receivable	2,525,868.00	2,489,410.00
Service Tax Receivable	10,633.67	0.00
	<u>9,818,244.53</u>	<u>10,265,522.67</u>
<u>Note: 10 Other Operating Income</u>		
Interest Income	11,267,246.00	10,957,324.00
<u>Dividend Income (Non-Current Investments)</u>		
On Trade Investment	557,290.50	557,290.50
On Other Investment	2,836,393.00	532,156.00
	<u>14,660,929.50</u>	<u>12,046,770.50</u>
<u>Note: 11 Other Income</u>		
Misc. Income	0.00	245,702.00
Provision for Standard Asset Written Back	13,400.00	0.00
Provision for Doubtful Debts Written Back	0.00	2,000,000.00
Previous Year Income	148,837.95	0.00
	<u>162,237.95</u>	<u>2,245,702.00</u>
<u>Note: 12 Employee Benefit Expenses</u>		
Salary paid	1,020,000.00	720,000.00
	<u>1,020,000.00</u>	<u>720,000.00</u>
<u>Note: 13 Other Expenses</u>		
Printing & Stationary	2,200.00	1,650.00
Rate, Fee & Taxes	24,775.00	55,060.00
Subscription	200,000.00	0.00
Bank Charges	1,511.00	759.00
Listing Fees	229,000.00	224,720.00
Postage & Telegram Charges	10,600.00	10,550.00
Legal Charges	46,455.00	76,409.00
Professional Fee	63,462.00	19,325.00
Misc. Expenses	2,036.84	1,824.00
Rent Paid	165,600.00	164,880.00
S.T.T. Paid	0.00	584.00
Provision for Standard Asset	0.00	96,900.00
Provision for Permanent Diminuation in Value of Investment	6,528,800.00	0.00
<b><u>AUDITOR'S REMUNERATION</u></b>		
Statutory Audit Fee	25,863.00	17,421.00
Tax Audit Fee	4,600.00	4,646.00
Certification Charges	690.00	686.00
	<u>7,305,592.84</u>	<u>675,414.00</u>

# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

## **ANNEXURE OF NOTE NO: 5**

Amount (Rs.)												
Sr. No	Name of the Body Corporate	Subsidiary/ Associates/ JV/Controlled Entity/ Others	% of Holding	No. of Shares/Units		Quoted/ Unquoted	Face Value (Rs.)	Partly paid/ Fully paid/	Amount (Rs.)		Whether stated at cost Yes/No.	If Answers to Column (9) is "No" basis of Valuation
			2017	2017	2016				2017	2016		
1	2	3	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

### **A. Details of Trade Investments**

#### **a) Investment in Equity Instruments**

1	Nagdevi Trading and Investment Co.Ltd.	Other Related Party	2.19	3350	3350	Un-quoted	100/-	Fully paid	50,000.00	50,000.00	Yes	N.A.
2	Oswal Leasing Ltd.	Other Related Party	2.84	14200	14200	Quoted	10/-	Fully paid	142,668.00	142,668.00	Yes	N.A.
3	Nahar Capital and Financial Services Ltd.	Other Related Party	2.22	371527	371527	Quoted	5/-	Fully paid	10,851,859.42	10,851,859.42	Yes	N.A.
4	Vardhman Investments Limited	Other Related Party	-	11	11	Un-quoted	100/-	Fully paid	102.00	102.00	Yes	N.A.
5	Atam Vallabh Financiers Ltd.	Other Related Party	-	11	11	Un-quoted	100/-	Fully paid	101.00	101.00	Yes	N.A.
6	Palam Motels Ltd.	Other Related Party	1.50	75	75	Un-quoted	100/-	Fully paid	109,671.00	109,671.00	Yes	N.A.
Total Trade Investment 'A'									11,154,401.42	11,154,401.42		

### **B. Details of Other Investments**

#### **a) Investment in Equity Instruments**

1	Hug Foods Private Limited	Associates	24.00	900000	900000	Un-quoted	10/-	Fully paid	9,000,000.00	9,000,000.00	Yes	N.A.
2	Nahar Spinning Mills Ltd.	Other Related Party	1.06	381911	381911	Quoted	5/-	Fully paid	10,266,798.44	10,266,798.44	Yes	N.A.
3	Nahar Industrial Enterprises Ltd.	Other Related Party	5.19	2068920	2068920	Quoted	10/-	Fully paid	62,201,038.40	62,201,038.40	Yes	N.A.
4	Nahar Poly Films Ltd.	Other Related Party	0.87	213037	213037	Quoted	5/-	Fully paid	1,329,538.49	1,329,538.49	Yes	N.A.
5	White Tiger Breweries & Distilleries Ltd.	Other Related Party	7.00	50000	50000	Un-quoted	10/-	Fully paid	653,059.00	653,059.00	Yes	N.A.
6	Shri Atam Fabrics Ltd.	Other Related Party	16.00	8000	8000	Un-quoted	10/-	Fully paid	80,180.00	80,180.00	Yes	N.A.
7	Oswal Woollen Mills Ltd.	Other Related Party	-	45	45	Un-quoted	10/-	Fully paid	102.00	102.00	Yes	N.A.
8	SRF Ltd.	Others	-	49	49	Quoted	10/-	Fully paid	166.39	166.39	Yes	N.A.

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

**ANNEXURE OF NOTE NO: 5**

Amount (Rs.)												
Sr. No	Name of the Body Corporate	Subsidiary/ Associates/ JV/Controlled Entity/ Others	% of Holding	No. of Shares/Units		Quoted/ Unquoted	Face Value (Rs.)	Partly paid/ Fully paid/	Amount (Rs.)		Whether stated at cost Yes/No.	If Answers to Column (9) is "No" basis of Valuation
			2017	2017	2016				2017	2016		
1	2	3	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
9	Kirloskar Pneumatic Co.Ltd.	Others	-	1	1	Quoted	10/-	Fully paid	60.00	60.00	Yes	N.A.
10	Mahanagar Telephone Nigam Ltd.	Others	-	55500	55500	Quoted	10/-	Fully paid	8,858,915.66	8,858,915.66	Yes	N.A.
11	Reliance Communications Ltd.	Others	-	12000	12000	Quoted	5/-	Fully paid	4,215,243.07	4,215,243.07	Yes	N.A.
12	IDBI Bank Ltd.	Others	-	50000	50000	Quoted	10/-	Fully paid	6,237,989.45	6,237,989.45	Yes	N.A.
13	Jindal Saw Ltd.	Others	-	12500	12500	Quoted	2/-	Fully paid	1,748,947.85	1,748,947.85	Yes	N.A.
14	Noida Toll Bridge Ltd.	Others	-	50000	50000	Quoted	10/-	Fully paid	1,909,548.96	1,909,548.96	Yes	N.A.
									106,501,587.71	106,501,587.71		
Less: Provision for Permanent Diminuation in Value of Investments [Hug Foods Private Limited]									(6,528,800.00)	0.00		
TOTAL: I									99,972,787.71	106,501,587.71		
b) <u>Investment in Preference shares</u>												
	Raj & Sandeep Private Limited	Others	-		50	Unquoted	100/-	Fully paid	5,000.00	5,000.00	Yes	N.A.
TOTAL: II									5,000.00	5,000.00		
Total Other Investment 'B' (I+II)									99,977,787.71	106,506,587.71		
Grand Total : (A+B)									111,132,189.13	117,660,989.13		

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

Note: 14

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Corporate Information**

The company is legal entity incorporated under the companies act on 28.11.1981 having CIN No.L65910PB1981PLC023058. The company is domiciled in India.

##### **b) Accounting Convention**

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and relevant presentational requirements of the Companies Act, 2013.

##### **c) Revenue Recognition:**

###### **i) Income from Investments**

Dividend Income is recognised when the Company's right to receive payment is established.

###### **ii) Capital Gain/Profit on Sale of Investment**

Gain/Loss on sale of Investment is considered at the time of Sale / Redemption.

###### **iii) Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

###### **iv) Brokerage Income**

Accounted for on accrual basis.

##### **d) Investments**

The Investments are stated at cost, Diminution in the value of investments on account of market fluctuations, which are of permanent nature are provided for.

##### **e) Accounting for Taxes on Income**

The accounting treatment followed for taxes on income is to provide for Current Tax, Deferred Tax. Current Tax is the amount of income Tax determined to be payable in respect of taxable income for a period. Deferred Tax is calculated for timing difference that originates in one period and is capable of reversal in the subsequent period.

##### **f) Impairment of Assets**

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### Note: 15 SEGMENT REPORTING

As per Accounting Standard 17 issued by the Institute of Chartered Accountants of India regarding Segment Reporting, the detail is as under:-

SEGMENT REVENUE	(Amount in Lacs)					
	INVESTMENT & FINANCE		SERVICES (BROKERAGE)		TOTAL	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
External	146.74	142.92	101.32	102.92	248.06	245.84
Inter Segment	-	-	-	-	-	-
Total Revenue	146.74	142.92	101.32	102.92	248.06	245.84

### RESULTS

Segment Result(Before tax)	64.68	130.17	100.12	101.72	164.80	231.89
Unallocable Income	-	-	-	-	-	-
Income-tax - Current	-	-	-	-	(63.15)	(66.67)
Deferred Tax Asset	-	-	-	-	-	-
Profit from Ordinary Business	-	-	-	-	101.65	165.22

### OTHER INFORMATION

Segment Assets	2,440.47	2,340.17	11.70	10.13	2,452.17	2,350.30
Unallocable Assets	69.15	75.56	-	-	69.15	75.56
Segment Liabilites	3.69	6.36	-	-	3.69	6.36
Unallocable Liabilities	63.15	66.67	-	-	63.15	66.67
Deprecation	-	-	-	-	-	-
Non Cash Expenses	-	-	-	-	-	-

(Provision for Standard Asset)

### SEGMENT ACCOUNTING POLICIES:

- a) Segment Revenue includes income directly identifiable with/allocable to the segment including intersegment revenue
- b) Expenses that are directly identifiable with/allocable to the segments are considered for determining the Segment Result. The expenses which relate to the Company as a whole and not allocable to segment but does not include tax & financial liabilities.
- c) Segment assets includes all operating assets i.e. investment and current assets used by the segment.
- d) Segment Liabilities consists of creditors and other liabilities directly attributable to segment but does not include tax & financial liabilities.

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### **Note: 16 RELATED PARTY DISCLOSURES**

Information related to relating party transaction as per accounting standard - 18 issued by Institute of Chartered Accountants of India is given below

#### **A) ASSOCIATES**

Hug Foods Pvt Ltd

#### **\*B) Other Related Parties/Group Companies**

Oswal Woollen Mills Ltd., Nahar Spinning Mills Ltd, Nahar Poly Films Ltd, Nahar Capital and Financial Services Ltd, Nahar Industrial Enterprises Ltd, Nahar Industrial Infrastructure Co Ltd., Vanaik Spinning Mills Ltd., Monica Growth Fund Pvt. Ltd., Abhilash Growth Fund Pvt Ltd., Ruchika Growth Fund Pvt Ltd., Nagdedi Trading and Investment Co. Ltd., Vanaik Investors Ltd., Girnar Investment Ltd., Vardhman Investment Ltd., Crown Star Ltd., Bermuda Insurance Brokers Pvt. Ltd., Palam Motels Ltd. Sankheshwar Holding Co.Ltd., Nahar Financial and Investment Ltd., J.L. Growth Fund Limited, Cotton County Retail Ltd., Sidhant and Mannat Company Ltd., Simran and Shanaya Company Ltd., Monte Carlo Fashions Ltd., Marble E-Retail Pvt. Ltd., Oswal Leasing Limited, Shri Atam Fabrics Ltd., Cabot Trading and Investment Co. Pvt. Ltd., Retailerkart E-Venture Pvt. Ltd. Vigil Investment Pvt. Ltd, Suvrat Trading Co Limited, Amloh Industries Limited.

#### **C) Key Management Personnel**

The Company does not have any Key Management Personnel. The affairs of the Company are managed by the Board of Directors of the Company. The Directors of the Company are as under:-

Sh. Pawan Kumar Sharma, Sh. Gagnish Kumar Bhalla, Sh. Navdeep Sharma and Mrs. Ruchika Oswal.

#### **D) Relatives of Key Management Personnel**

Sh. Jawahar Lal Oswal, Sh. Kamal Oswal, Sh. Dinesh Oswal and Sh. Sandeep Jain

\* Other Related Parties/Group companies also Includes enterprises with whom no transaction has taken place during the period.

**Amount (Rs.)**

#### **E) Transaction during the Year with Other Related Parties**

##### **Oswal Woollen Mills Limited**

	<b>31.03.2017</b>	<b>31.03.2016</b>
Interest received on Inter Corporate Deposits Placed	11,267,246.00	2,766,011.00
T.D.S. Deducted	1,126,724.00	276,601.00
Intercompany Deposits Placed for the year	17,200,000.00	16,500,000.00
Intercompany Deposits Realised	-	300,000.00
Amount paid in Other Account	6,594,127.00	6,661,359.00
Rent Paid	165,600.00	164,880.00
Outstanding Balance due	130,000,000.00	112,800,000.00
Interest receivable	2,525,868.00	2,489,410.00
Oswal Leasing Limited (Security Paid)	-	100,000.00
Oswal Leasing Limited (Security Received Back)	-	100,000.00
Shri Atam Fabrics Ltd (Security Paid)	-	100,000.00
Shri Atam Fabrics Ltd (Security Received Back)	-	100,000.00
Sh. Jawahar Lal Oswal (Security Received)	-	400,000.00
Sh. Jawahar Lal Oswal (Security Refunded)	-	400,000.00

Note: Related party relationship is as identified by the Company and relied upon by the Auditors

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### Note : 17 Earning per shares

The calculation of Earning Per Share (EPS) as disclosed in the "Statement of Profit and Loss has been made in accordance with Accounting Standard (AS)-20 "Earning Per Share"

	<b>31.03.2017</b>	<b>31.03.2016</b>
a) Profit /( Loss) after tax	10,165,111.00	16,522,340.57
b) Income-tax adjustments for the prior periods	3.00	27,249.00
Net Profit	10,165,114.00	16,549,589.57
c) Number of Weighted Average		
Equity Shares outstanding	2,223,914	2,223,914
d) Earning per shares (Face value -		
Rs.10/- per share) Basic & Diluted	4.57	7.44

### Note : 18 Transfer to Statutory Reserve Fund

A sum of Rs. 20,34,000/- (Previous Year Rs. 33,05,000/-) transferred from P & L Appropriation Account to Statutory Reserve Fund A/c in compliance with the provisions of Section 45-IC of RBI Act for the Year Ending 31.03.2017.

### Note : 19

A Statement of disclosure in terms of paragraph 13 of Non-Banking Finance Companies (Non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2007 is annexed.

### Note : 20 Provision for Standard Asset and Diminuation in Investment

- a) As per RBI Guidelines a Provision of 0.25% (Previous Year - 0.30%) of Standard Asset has been created.
- b) Diminuation in Value of Investment of Hug Foods Pvt. Ltd has been provided during the year being permanent in nature.

### Note : 21

The Company Registered with Reserve Bank of India as an NBFC Vide Registration No. N - 06.00576 Dated. 17.10.2003

### Note : 22

As required under schedule - III, Division-I in Part-I of the General Instructions for Preparation of Financial Statements in Compliance with Companies (Accounting Standards) Rule, 2006, the details of specified Bank Notes held and transacted during the period 08.11.2016 To 30.12.2016 are as under: -

	SBNs	denomination	Total
Closing cash in hand as on 08.11.2016	20,000.00	3,635.00	23,635.00
( + ) Permitted receipts	NIL	NIL	
( - ) Permitted payments	NIL	NIL	
( - ) Amount deposited in Banks	20,000.00	NIL	
Closing cash in hand as on 30.12.2016	NIL	3,635.00	3,635.00

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### Note : 23

Previous year figures have been regrouped/recasted/rearranged/reclassified wherever necessary to make them comparable.

Notes 1 to 23 form an integral part of the Balance Sheet and Profit and Loss Account have been fully authenticated as such.

Subject to our port of even date  
**FOR GUPTA VIGG & COMPANY**  
Chartered Accountants  
**FRN - 001393N**

**FOR KOVALAM INVESTMENT AND TRADING CO LTD**

**(VINOD KHANNA)**  
Partner  
**M.No. 081585**

**(NAVDEEP SHARMA)**  
DIRECTOR  
DIN - 00454285

**(PAWAN KUMAR SHARMA)**  
DIRECTOR  
DIN - 07163131

Place : Ludhiana  
Dated: 29.05.2017



**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### ANNEXURE OF NOTE NO.19

Disclosure of details as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

	(Amount in Rs.)			
Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
	Outstanding	Overdue	Outstanding	Overdue
<b>Liabilities side:</b>				
Loans and Advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid				
a) Debentures : Secured				
: Unsecured				
(Other than falling within the meaning of public deposits)	NIL	NIL	NIL	NIL
b) Deferred credits	NIL	NIL	NIL	NIL
c) Term loans	NIL	NIL	NIL	NIL
d) Inter-corporate loans and borrowings	NIL	NIL	NIL	NIL
e) Commercial Paper	NIL	NIL	NIL	NIL
f) Other loans	NIL	NIL	NIL	NIL
TOTAL:	NIL	NIL	NIL	NIL

		(Amount in Rs.)	
		Amount outstanding	
Particulars		Current Year	Previous Year

**Asset side:**

- 2) Break-up of loans and advances including bills receivables

[Other than those included in (4) below]:

a) Secured	NIL	NIL
b) Unsecured	130000000	112800000
<b>TOTAL:</b>	<b>130000000</b>	<b>112800000</b>

- ### 3) Break-up of leased assets and stock on hire and other assets

- i) Leased assets including lease rentals under sundry debtors

a) Financial lease	NIL	NIL
b) Operating lease	NIL	NIL
ii) Stock on hire including hir charges under sundry debtors		
a) Asset on hire	NIL	NIL
b) Repossessed Assets	NIL	NIL
iii) Other loans counting towards AFC activities		
a) Loans where assets have been repossessed	NIL	NIL
b) Loans other than (a) above	NIL	NIL
<b>TOTAL:</b>	<b>NIL</b>	<b>NIL</b>

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

(Amount in Rs.)				
Particulars	Current Year		Previous Year	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
4 Break-up of Investments				
<b><u>Current Investments :</u></b>				
1. Quoted				
i) Shares				
a) Equity	NIL	NIL	NIL	NIL
b) Preference	NIL	NIL	NIL	NIL
ii) Debentures and Bonds	NIL	NIL	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL	NIL	NIL
iv) Government Securities	NIL	NIL	NIL	NIL
v) Others	NIL	NIL	NIL	NIL
2. Unquoted				
i) Shares				
a) Equity	NIL	NIL	NIL	NIL
b) Preference	NIL	NIL	NIL	NIL
ii) Debentures and Bonds	NIL	NIL	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL	NIL	NIL
iv) Government Securities	NIL	NIL	NIL	NIL
v) Others	NIL	NIL	NIL	NIL
Units of Fixed Maturity Plans	NIL	NIL	NIL	NIL
Units of Liquid Floater Plans	NIL	NIL	NIL	NIL
TOTAL: (A= 1+2)	NIL	NIL	NIL	NIL

**Long Term Investments**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
1. Quoted		
i) Shares		
a) Equity	107762774	107762774
b) Preference	NIL	NIL
ii) Debentures and Bonds	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL
iv) Government Securities	NIL	NIL
v) Others	NIL	NIL
2. Unquoted		
i) Shares		
a) Equity	9893215	9893215
Provision for Permanent Diminuation		
in Value of Investments	(6528800)	NIL
b) Preference	5000	5000
ii) Debentures and Bonds	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL
iv) Government Securities	NIL	NIL
v) Others	NIL	NIL
TOTAL (B= 1+2)	111132189	117660989
GRAND TOAL (A+B)	111132189	117660989

# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

(Amount in Rs.)

**5 Borrower group-wise classification of assets financed as in 92) and (3) above**

Amount net of provisions						
Current Year				Previous Year		
Category	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries						
b) Companies in the same group						
c) Other related parties	NIL	130000000	130000000	NIL	112800000	112800000
2. Other than related parties	NIL	NIL	NIL	NIL	NIL	NIL
	NIL	130000000	130000000	NIL	112800000	112800000

**6 Investor group-wise classification of all investments (current and long term) in shares and securities**

(both quoted and unquoted):

(Amount in Rs.)

Current Year			Previous Year	
Particulars	Markewt Value/ Break-up of fair	Book Value (Net of Provisions)	Markewt Value/ Break-up of fair (Net of Provisions)	Book Value
	Value of NAV		Value of NAV	
1. Related Parties				
a) Subsidiaries	NIL	NIL	NIL	NIL
b) Companies in the same group	NIL	NIL	NIL	NIL
c) Other related parties	340023487	88165118	181922051	94690118
2. Other than related parties	7228707	22967071	6718109	22970871
Total:	347252194	111132189	188640160	117660989

**7 Other information**

Particulars	Current Year	Previous Year
i) Gross Non-Performing Assets		
a) Related Parties	NIL	NIL
b) Other than related parties	NIL	NIL
ii) Net Non-Performing Assets		
a) Related Parties	NIL	NIL
b) Other than related parties	NIL	NIL
iii) Assets acquired in satisfaction of debt	NIL	NIL

**NOTES:**

- 1 For investments in case of unquoted shares, it is assumed that market value is same as book value.

**GUPTA VIGG & CO.**  
**Chartered Accountants**  
**K-101, Kismat Complex, G.T. Road,**  
**Miller Ganj, LUDHIANA-141 003.**

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[Phones: 0161-2532297, 2535156]

### **INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To

The Members of  
**Kovalam Investment And Trading Co Ltd**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Kovalam Investment And Trading Co Ltd** ("the Holding Company") and associate companies (hereinafter collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as ("the Act")) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on

whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Opinion

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

- a. In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2017;
- b. In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

- a. We draw attention that the company is required to appoint the KMP (Key Managerial Personnel) u/s 203 of the Companies Act, 2013 which have not been appointed by the company. The company is in the process of appointment of KMP's. Our opinion is not qualified in respect of this matter.
- b. The consolidated financial statements also include the Group's share of net loss of Rs.7.71 Lacs for the year ended 31st March, 2017, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that associate insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, is not applicable in case of Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2017 taken on record by the Board of Directors of the holding company and the reports of the

statutory auditors of the associate company, none of the directors of the companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us as well as based on the report of statutory auditors of associate company:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and associate company
  - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the holding Company and associate company
  - (iv) the Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note 22 to the consolidated financial statements.

For Gupta Vigg& Co.

Chartered Accountants  
Firm Regn.No.001393N

(CA. Vinod Khanna)  
Partner  
M.No.81585

Dated: 29.05.17  
Place : Ludhiana

## **Annexure - A to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Kovalam Investment And Trading Co Ltd** ("the Holding Company") and as based on the report of statutory auditors of associate company, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and as based on the report of statutory auditors of associate company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Gupta Vigg & Co.  
Chartered Accountants  
Firm Regn.No.001393N

(CA. Vinod Khanna)  
Partner  
M.No.81585

Dated: 29.05.17  
Place : Ludhiana

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31.03.2017**

PARTICULARS	Refer Note No.	Amount (Rs.)	
		AS AT 31.03.2017	AS AT 31.03.2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<u>Shareholders' Funds</u>			
Share Capital	1	22,239,140.00	22,239,140.00
Reserve and Surplus	2	223,209,076.05	212,833,907.33
		245,448,216.05	235,073,047.33
<u>Current Liabilities</u>			
Other Current Liabilities	3	43,602.59	297,498.00
Short Term Provisions	4	6,640,375.00	7,005,078.00
		6,683,977.59	7,302,576.00
Total Equity and Liabilities		252,132,193.64	242,375,623.33
<b><u>ASSETS</u></b>			
Non Current Investments	5	111,132,189.13	117,450,934.41
Deferred Tax Asset (Net)	6	792,838.00	792,838.00
		111,925,027.13	118,243,772.41
<u>Current Assets</u>			
Cash and Cash Equivalents	7	388,921.98	1,066,328.25
Short Term Loans and Advances	8	130,000,000.00	112,800,000.00
Other Current Assets	9	9,818,244.53	10,265,522.67
		140,207,166.51	124,131,850.92
Total Assets		252,132,193.64	242,375,623.33

Significant Accounting Policies Notes on  
Financial Statements

1 To 24

AS per our Report of even date annexed

**FOR GUPTA VIGG & COMPANY**

Chartered Accountants

FRN - 001393N

**FOR KOVALAM INVESTMENT AND TRADING CO. LTD.**

(VINOD KHANNA)

Partner

M.No.081585

(NAVDEEP SHARMA)

DIRECTOR

DIN - 00454285

(PAWAN KUMAR SHARMA)

DIRECTOR

DIN - 07163131

Place : Ludhiana  
Dated: 29.05.2017



# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

## **CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017**

			Amount (Rs.)
PARTICULARS	Refer Note No.	AS AT 31.03.2017	AS AT 31.03.2016
<b><u>INCOME</u></b>			
<u>Revenue from Operations</u>			
Income from Brokerage (Gross)		11,477,611.72	11,468,123.04
Less: Service Tax		<u>(1,494,700.33)</u>	<u>(1,176,162.97)</u>
		9,982,911.39	10,291,960.07
Other Operating Income	10	14,660,929.50	12,046,770.50
Other Income	11	<u>162,237.95</u>	<u>2,245,702.00</u>
Total Revenue		<u><u>24,806,078.84</u></u>	<u><u>24,584,432.57</u></u>
<b><u>EXPENSES</u></b>			
Employee Benefits expenses	12	1,020,000.00	720,000.00
Other Expenses	13	<u>6,324,363.64</u>	<u>675,414.00</u>
Total Expenses		<u><u>7,344,363.64</u></u>	<u><u>1,395,414.00</u></u>
<b>Profit before tax</b>		17,461,715.20	23,189,018.57
Tax Expense:			
Current Tax		<u>(6,315,375.00)</u>	<u>(6,666,678.00)</u>
<b>Profit After Tax</b>		11,146,340.20	16,522,340.57
Add: Share of Profit/(Loss) in Associates		<u>(771,174.48)</u>	<u>(210,054.72)</u>
<b>Net Profit for the Year</b>		<u><u>10,375,165.72</u></u>	<u><u>16,312,285.85</u></u>
Earnings per equity share:			
Basic and Diluted		4.67	7.35

Significant Accounting Policies Notes on  
Financial Statements

1 To 24

AS per our Report of even date annexed

**FOR GUPTA VIGG & COMPANY**

Chartered Accountants

FRN - 001393N

**FOR KOVALAM INVESTMENT AND TRADING CO. LTD.**

(VINOD KHANNA)

Partner

M.No.081585

(NAVDEEP SHARMA)

DIRECTOR

DIN - 00454285

(PAWAN KUMAR SHARMA)

DIRECTOR

DIN - 07163131

Place : Ludhiana

Dated: 29.05.2017

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED - 31.03.2017**

(Amount in Rs.)

PARTICULARS	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit before tax & Extra Ordinary items	16,690,541	23,399,073
Adjustments for		
1. Depreciation and Non cash expenses	0	(2,000,000)
2. Provision for Standard Asset	(13,400)	96,900
3. Diminuation in Permanent Nature	5,547,571	0
4. Profit/Loss on Sale of Investments	0	0
5. Dividend	(3,393,684)	(1,089,446)
6. Interest (Net)	(11,267,246)	(10,957,324)
7. Share of Profit/(Loss) of Associates	771,174	210,054
Operating Profit before working capital changes:	8,334,956	9,659,257
Adjustments for		
1. Trade & other receivable	(193,462)	5,175,469
2. Inventories	0	0
3. Trade payables	(253,896)	(4,406,963)
4. Deferred payment expenses	0	0
Cash generated from operations	7,887,598	10,427,763
Taxes paid	(6,025,935)	(7,835,765)
Net cash from operating activities	1,861,663	2,591,998
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Change in Loans and Advances	(17,200,000)	(14,200,000)
Purchase of Investments	0	(5,085,822)
(including Profit on sale of Investment)		0
Interest received	11,267,246	10,957,324
Dividend received	3,393,684	1,089,447
Net cash from operating activities	(2,539,070)	(7,239,051)
<b>C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Net cash used in Financing Activities	0	0
Net Change in Cash and Cash Equivalents [A + B + C]	(677,407)	(5,067,161)
Cash and Cash equivalents as at beginning of the year	1,066,329	6,133,490
Cash and Cash equivalents as at close of the year	388,922	1,066,329

**NOTES:**

- Figures in brackets represent cash out flows.
- The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

As per Our report of even date annexed.

**FOR GUPTA VIGG & CO.**

Chartered Accountants

FRN-001393N

(VINOD KHANNA)

**PARTNER**

M.No.081585

Place: Ludhiana

Dated : 29.05.2017

**KOVALAM INVESTMENT AND TRADING CO. LTD.**

(NAVDEEP SHARMA)

**DIRECTOR**

**DIN - 00454285**

(PAWAN KUMAR SHARMA)

**DIRECTOR**

**DIN - 07163131**

# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

## **Consolidated Notes to Financial Statements for the year ended 31st March, 2017**

### **Note : 1.1 SHARE CAPITAL**

PARTICULARS	Amount (Rs.)			
	AS AT 31.03.2017		AS AT 31.03.2016	
	Number	Rs.	Number	Rs.
<u>Authorised</u>				
Equity Share of Rs.10/- each	3000000	30,000,000.00	3000000	30,000,000.00
	3000000	30,000,000.00	3000000	30,000,000.00
<u>Issued, Subscribed &amp; Paid up</u>				
Equity Shares of Rs.10/- each fully paid up	2223914	22,239,140.00	2223914	22,239,140.00
	2223914	22,239,140.00	2223914	22,239,140.00

Note: 1.2 Reconciliation of Shares Outstanding at the beginning and at the end of the reporting period

PARTICULARS	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	2223914	22,239,140.00	2223914	22,239,140.00
Share issued during the year	Nil	0.00	Nil	0.00
Shares outstanding at the end of the year	2223914	22,239,140.00	2223914	22,239,140.00

Note:

In view of Clause 40A of the listing agreement and in view to increase the public shareholding to the minimum requirement of 25% the Company had issued 517704 Equity shares of Rs.10/- each on 08.08.2013 as Bonus Share to the public shareholders, promoters forgoing their rights.

Note: 1.3 Name of Shareholders holding more than 5% Shares of the Company

Name of Shareholders	As at 31st. March,2017		As at 31st. March,2016	
	No.of Shares	% of	No.of Shares	% of
	Held	Holding	Held	Holding
Nagdevi Trading and Investment .				
Company Limited	830685	37.35	830685	37.35
Sankheshwar Holding Co. Ltd.	176400	7.93	176400	7.93
Girnar Investment Ltd.	160035	7.20	160035	7.20
Vanaik Investors Ltd.	123360	5.55	123360	5.55

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS	Amount (Rs.)	
	AS AT	AS AT
	31.03.2017	31.03.2016
<u>Note: 2 Reserves &amp; Surplus</u>		
<u>General Reserves</u>		
Opening Balance	118,140,960.00	118,140,960.00
Closing Balance ( A )	<u>118,140,960.00</u>	<u>118,140,960.00</u>
<u>Statutory Reserves Fund</u>		
Opening Balance	42,809,000.00	39,504,000.00
(+) Current Year Transfer	<u>2,034,000.00</u>	<u>3,305,000.00</u>
Closing Balance ( B )	<u>44,843,000.00</u>	<u>42,809,000.00</u>
<u>Surplus</u>		
Opening Balance	51,883,947.33	38,849,412.48
(+) Profit for the year	10,375,165.72	16,312,285.85
Income-tax Adjustments for prior periods	3.00	27,249.00
(-) Statutory Reserves Fund	<u>(2,034,000.00)</u>	<u>(3,305,000.00)</u>
Closing Balance ( C )	<u>60,225,116.05</u>	<u>51,883,947.33</u>
TOTAL:- ( A + B + C )	<u>223,209,076.05</u>	<u>212,833,907.33</u>
<u>Note: 3 Other Current Liabilities</u>		
Cheques issued but not presented for payment	0.00	247,530.00
Raj Gupta & Co.	0.00	5,725.00
Gupta Vigg & Co, Ludhiana	0.00	344.00
Mastermind Advertising Pvt. Ltd	0.00	8,460.00
Statutory Audit fee payable	23,000.00	17,175.00
Tax Audit fee payable	4,600.00	4,580.00
Tax Deducted at Sources Payable	16,000.00	8,174.00
Expenses Payable	<u>2.59</u>	<u>5,510.00</u>
	<u>43,602.59</u>	<u>297,498.00</u>

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS	Amount (Rs.)	
	AS AT	AS AT
	31.03.2017	31.03.2016
<u>Note: 4 Short Term Provisions</u>		
Provision for Standard Asset	325,000.00	338,400.00
Provisions for Income-tax	6,315,375.00	6,666,678.00
	<u>6,640,375.00</u>	<u>7,005,078.00</u>
<u>Note: 5 Non Current Investments</u>		
<u>Trade Investments (Refer A below)</u>		
Investment in Equity Instruments	11,154,401.42	11,154,401.42
( A )	<u>11,154,401.42</u>	<u>11,154,401.42</u>
<u>Other Investments (Refer B below)</u>		
Investment in Equity Instruments		
<u>1. Investment in Associates Company</u>		
900000 (Prev. Year - 900000) Equity Shares		
in Hug Foods Pvt Ltd of Rs.10/- each		
fully paid up (including Goodwill of Rs 5547570.00)	9,000,000.00	9,000,000.00
Add: Share of Profit/(Loss) in Associates	(981,229.20)	(210,054.72)
Less diminuation in value of investments	<u>(5,547,570.80)</u>	
	2,471,200.00	8,789,945.28
( B )	99,972,787.71	97,501,587.71
Investment in Preference Shares	5,000.00	5,000.00
	<u>99,977,787.71</u>	<u>106,296,532.99</u>
TOTAL:- ( A + B )	<u>111,132,189.13</u>	<u>117,450,934.41</u>
Aggregate amount of quoted investments	107,762,774.13	107,762,774.13
(Market value of quoted investments		
Rs. 34,38,82,778-70 Previous Rs.17,87,41,945-40)		
Aggregate amount of unquoted investments	3,369,415.00	9,898,215.00
<u>Note: 5.1</u>		
Note: The Market Value of quoted investments is based on the price prevailing in the market as on 31st. March, 2017.		
<u>Note: 6 Deferred Tax Assets</u>		
As per Accounting standard 2, of the Institute of Chartered Accountants of India, is as under:-		
<u>Deferred Tax Assets</u>		
Opening Balance	792,838.00	792,838.00
Timing difference on account of		
Short Term Capital Loss/Gain	0.00	0.00
	<u>792,838.00</u>	<u>792,838.00</u>
<u>Note: 7 Cash and Cash Equivalent</u>		
<u>a) Balances with Banks</u>		
<u>In Current Account</u>		
Allahabad Bank, Ludhiana	358,266.87	1,040,622.14
ICICI Bank Ltd., Ludhiana	108.54	108.54
b) Cash in hand	3,546.57	25,597.57
c) Cheques in hand	27,000.00	0.00
	<u>388,921.98</u>	<u>1,066,328.25</u>

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

	Amount (Rs.)	
PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
<u>Note: 8 Short Term Loans and Advances</u>		
<u>Unsecured, considered good</u>		
<u>Loan to Other Related Party/Group Company</u>		
Oswal Woollen Mills Ltd.	130,000,000.00	112,800,000.00
	<u>130,000,000.00</u>	<u>112,800,000.00</u>
<u>Note: 9 Other Current Assets</u>		
Advance Income-tax & TDS	6,122,325.00	6,763,065.00
Brokerage receivable	1,159,417.86	1,013,047.67
Interest Receivable	2,525,868.00	2,489,410.00
Service Tax Receivable	10,633.67	0.00
	<u>9,818,244.53</u>	<u>10,265,522.67</u>
<u>Note: 10 Other Operating Income</u>		
Interest Income	11,267,246.00	10,957,324.00
<u>Dividend Income (Non-Current Investments)</u>		
On Trade Investment	557,290.50	557,290.50
On Other Investment	2,836,393.00	532,156.00
	<u>14,660,929.50</u>	<u>12,046,770.50</u>
<u>Note: 11 Other Income</u>		
Misc. Income	0.00	245,702.00
Provision for Standard Asset Written Back	13,400.00	0.00
Provision for Doubtful Debts Written Back	0.00	2,000,000.00
Previous Year Income	148,837.95	0.00
	<u>162,237.95</u>	<u>2,245,702.00</u>
<u>Note: 12 Employee Benefit Expenses</u>		
Salary paid	1,020,000.00	720,000.00
	<u>1,020,000.00</u>	<u>720,000.00</u>
<u>Note: 13 Other Expenses</u>		
Printing & Stationary	2,200.00	1,650.00
Rate, Fee & Taxes	24,775.00	55,060.00
Subscription	200,000.00	0.00
Bank Charges	1,511.00	759.00
Listing Fees	229,000.00	224,720.00
Postage & Telegram Charges	10,600.00	10,550.00
Legal Charges	46,455.00	76,409.00
Professional Fee	63,462.00	19,325.00
Misc. Expenses	2,036.84	1,824.00
Rent Paid	165,600.00	164,880.00
S.T.T. Paid	0.00	584.00
Provision for Standard Asset	0.00	96,900.00
Provision for Permanent Diminuation in Value of Investment	5,547,570.80	0.00
<b><u>AUDITOR'S REMUNERATION</u></b>		
Statutory Audit Fee	25,863.00	17,421.00
Tax Audit Fee	4,600.00	4,646.00
Certification Charges	690.00	686.00
	<u>6,324,363.64</u>	<u>675,414.00</u>

# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

## **ANNEXURE OF NOTE NO: 5**

Amount (Rs.)												
Sr. No	Name of the Body Corporate	Subsidiary/ Associates/ JV/Controlled Entity/ Others	% of Holding	No. of Shares/Units		Quoted/ Unquoted	Face Value (Rs.)	Partly paid/ Fully paid/	Amount (Rs.)		Whether stated at cost Yes/No.	If Answers to Column (9) is "No" basis of Valuation
			2017	2017	2016				2017	2016		
1	2	3	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

### **A. Details of Trade Investments**

#### **a) Investment in Equity Instruments**

1	Nagdevi Trading and Investment Co.Ltd.	Other Related Party	2.19	3350	3350	Un-quoted	100/-	Fully paid	50,000.00	50,000.00	Yes	N.A.
2	Oswal Leasing Ltd.	Other Related Party	2.84	14200	14200	Quoted	10/-	Fully paid	142,668.00	142,668.00	Yes	N.A.
3	Nahar Capital and Financial Services Ltd.	Other Related Party	2.22	371527	371527	Quoted	5/-	Fully paid	10,851,859.42	10,851,859.42	Yes	N.A.
4	Vardhman Investments Limited	Other Related Party	-	11	11	Un-quoted	100/-	Fully paid	102.00	102.00	Yes	N.A.
5	Atam Vallabh Financiers Ltd.	Other Related Party	-	11	11	Un-quoted	100/-	Fully paid	101.00	101.00	Yes	N.A.
6	Palam Motels Ltd.	Other Related Party	1.50	75	75	Un-quoted	100/-	Fully paid	109,671.00	109,671.00	Yes	N.A.
Total Trade Investment 'A'									11,154,401.42	11,154,401.42		

### **B. Details of Other Investments**

#### **a) Investment in Equity Instruments**

1	Hug Foods Private Limited	Associates	24.00	900000	900000	Un-quoted	10/-	Fully paid	9,000,000.00	9,000,000.00	Yes	N.A.
2	Nahar Spinning Mills Ltd.	Other Related Party	1.06	381911	381911	Quoted	5/-	Fully paid	10,266,798.44	10,266,798.44	Yes	N.A.
3	Nahar Industrial Enterprises Ltd.	Other Related Party	5.19	2068920	2068920	Quoted	10/-	Fully paid	62,201,038.40	62,201,038.40	Yes	N.A.
4	Nahar Poly Films Ltd.	Other Related Party	0.87	213037	213037	Quoted	5/-	Fully paid	1,329,538.49	1,329,538.49	Yes	N.A.
5	White Tiger Breweries & Distilleries Ltd.	Other Related Party	7.00	50000	50000	Un-quoted	10/-	Fully paid	653,059.00	653,059.00	Yes	N.A.
6	Shri Atam Fabrics Ltd.	Other Related Party	16.00	8000	8000	Un-quoted	10/-	Fully paid	80,180.00	80,180.00	Yes	N.A.
7	Oswal Woollen Mills Ltd.	Other Related Party	-	45	45	Un-quoted	10/-	Fully paid	102.00	102.00	Yes	N.A.
8	SRF Ltd.	Others	-	49	49	Quoted	10/-	Fully paid	166.39	166.39	Yes	N.A.

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

**ANNEXURE OF NOTE NO: 5**

Amount (Rs.)												
Sr. No	Name of the Body Corporate	Subsidiary/ Associates/ JV/Controlled Entity/ Others	% of Holding	No. of Shares/Units		Quoted/ Unquoted	Face Value (Rs.)	Partly paid/ Fully paid/	Amount (Rs.)		Whether stated at cost Yes/No.	If Answers to Column (9) is "No" basis of Valuation
			2017	2017	2016				2017	2016		
1	2	3	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
9	Kirloskar Pneumatic Co.Ltd.	Others	-	1	1	Quoted	10/-	Fully paid	60.00	60.00	Yes	N.A.
10	Mahanagar Telephone Nigam Ltd.	Others	-	55500	55500	Quoted	10/-	Fully paid	8,858,915.66	8,858,915.66	Yes	N.A.
11	Reliance Communications Ltd.	Others	-	12000	12000	Quoted	5/-	Fully paid	4,215,243.07	4,215,243.07	Yes	N.A.
12	IDBI Bank Ltd.	Others	-	50000	50000	Quoted	10/-	Fully paid	6,237,989.45	6,237,989.45	Yes	N.A.
13	Jindal Saw Ltd.	Others	-	12500	12500	Quoted	2/-	Fully paid	1,748,947.85	1,748,947.85	Yes	N.A.
14	Noida Toll Bridge Ltd.	Others	-	50000	50000	Quoted	10/-	Fully paid	1,909,548.96	1,909,548.96	Yes	N.A.
									106,501,587.71	106,501,587.71		
Less: Provision for Permanent Diminuation in Value of Investments [Hug Foods Private Limited]									(6,528,800.00)	0.00		
TOTAL: I									99,972,787.71	106,501,587.71		
b) <u>Investment in Preference shares</u>									2,471,200.00			
	Raj & Sandeep Private Limited	Others	-		50	Unquoted	100/-	Fully paid	5,000.00	5,000.00	Yes	N.A.
TOTAL: II									5,000.00	5,000.00		
Total Other Investment 'B' (I+II)									99,977,787.71	106,506,587.71		
Grand Total : (A+B)									111,132,189.13	117,660,989.13		



## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

Note: 14

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

#### SIGNIFICANT ACCOUNTING POLICIES

##### a) Corporate Information

The company is legal entity in incorporated under the companies act on 28.11.1981 having CIN No.L65910PB1981PLC023058. The company is domiciled in India.

##### b) Accounting Convention

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and relevant presentational requirements of the Companies Act, 2013.

##### c) Revenue Recognition:

###### i) Income from Investments

Dividend Income is recognised when the Company's right to receive payment is established.

###### ii) Capital Gain/Profit on Sale of Investment

Gain/Loss on sale of Investment is considered at the time of Sale / Redemption.

###### iii) Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

###### iv) Brokerage Income

Accounted for on accrual basis.

##### d) Investments

The Investments are stated at cost, Diminution in the value of investments on account of market fluctuations, which are of permanent nature are provided for.

##### e) Accounting for Taxes on Income

The accounting treatment followed for taxes on income is to provide for Current Tax, Deferred Tax. Current Tax is the amount of income Tax determined to be payable in respect of taxable income for a period. Deferred Tax is calculated for timing difference that originates in one period and is capable of reversal in the subsequent period.

##### f) Impairment of Assets

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### Note: 15 SEGMENT REPORTING

As per Accounting Standard 17 issued by the Institute of Chartered Accountants of India regarding Segment Reporting, the detail is as under:-

SEGMENT REVENUE	(Amount in Lacs)					
	INVESTMENT & FINANCE		SERVICES (BROKERAGE)		TOTAL	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
External	146.74	142.92	101.32	102.92	248.06	245.84
Inter Segment	-	-	-	-	-	-
Total Revenue	146.74	142.92	101.32	102.92	248.06	245.84

### RESULTS

Segment Result(Before tax)	64.68	130.17	100.12	101.72	164.80	231.89
Unallocable Income	-	-	-	-	-	-
Income-tax - Current	-	-	-	-	(63.15)	(66.67)
Deferred Tax Asset	-	-	-	-	-	-
Profit from Ordinary Business	-	-	-	-	101.65	165.22

### OTHER INFORMATION

Segment Assets	2,440.47	2,340.17	11.70	10.13	2,452.17	2,350.30
Unallocable Assets	69.15	75.56	-	-	69.15	75.56
Segment Liabilites	3.69	6.36	-	-	3.69	6.36
Unallocable Liabilities	63.15	66.67	-	-	63.15	66.67
Deprecation	-	-	-	-	-	-
Non Cash Expenses	-	-	-	-	-	-

(Provision for Standard Asset)

### SEGMENT ACCOUNTING POLICIES:

- a) Segment Revenue includes income directly identifiable with/allocable to the segment including intersegment revenue
- b) Expenses that are directly identifiable with/allocable to the segments are considered for determining the Segment Result. The expenses which relate to the Company as a whole and not allocable to segment but does not include tax & financial liabilities.
- c) Segment assets includes all operating assets i.e. investment and current assets used by the segment.
- d) Segment Liabilities consists of creditors and other liabilities directly attributable to segment but does not include tax & financial liabilities.

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### **Note: 16 RELATED PARTY DISCLOSURES**

Information related to relating party transaction as per accounting standard - 18 issued by Institute of Chartered Accountants of India is given below

#### **A) ASSOCIATES**

Hug Foods Pvt Ltd

#### **\*B) Other Related Parties/Group Companies**

Oswal Woollen Mills Ltd., Nahar Spinning Mills Ltd, Nahar Poly Films Ltd, Nahar Capital and Financial Services Ltd, Nahar Industrial Enterprises Ltd, Nahar Industrial Infrastructure Co Ltd., Vanaik Spinning Mills Ltd., Monica Growth Fund Pvt. Ltd., Abhilash Growth Fund Pvt Ltd., Ruchika Growth Fund Pvt Ltd., Nagdedi Trading and Investment Co. Ltd., Vanaik Investors Ltd., Girnar Investment Ltd., Vardhman Investment Ltd., Crown Star Ltd., Bermuda Insurance Brokers Pvt. Ltd., Palam Motels Ltd. Sankheshwar Holding Co.Ltd., Nahar Financial and Investment Ltd., J.L. Growth Fund Limited, Cotton County Retail Ltd., Sidhant and Mannat Company Ltd., Simran and Shanaya Company Ltd., Monte Carlo Fashions Ltd., Marble E-Retail Pvt. Ltd., Oswal Leasing Limited, Shri Atom Fabrics Ltd., Cabot Trading and Investment Co. Pvt. Ltd., Retailerkart E-Venture Pvt. Ltd. Vigil Investment Pvt. Ltd, Suvrat Trading Co Limited, Amloh Industries Limited.

#### **C) Key Management Personnel**

The Company does not have any Key Management Personnel. The affairs of the Company are managed by the Board of Directors of the Company. The Directors of the Company are as under:-

Sh. Pawan Kumar Sharma, Sh. Gagnish Kumar Bhalla, Sh. Navdeep Sharma and Mrs. Ruchika Oswal.

#### **D) Relatives of Key Management Personnel**

Sh. Jawahar Lal Oswal, Sh. Kamal Oswal, Sh. Dinesh Oswal and Sh. Sandeep Jain

\* Other Related Parties/Group companies also Includes enterprises with whom no transaction has taken place during the period.

	<b>Amount (Rs.)</b>	
<b><u>E) Transaction during the Year with Other Related Parties</u></b>		
<b><u>Oswal Woollen Mills Limited</u></b>	<b><u>31.03.2017</u></b>	<b><u>31.03.2016</u></b>
Interest received on Inter Corporate Deposits Placed	11,267,246.00	2,766,011.00
T.D.S. Deducted	1,126,724.00	276,601.00
Intercompany Deposits Placed for the year	17,200,000.00	16,500,000.00
Intercompany Deposits Realised	-	300,000.00
Amount paid in Other Account	6,594,127.00	6,661,359.00
Rent Paid	165,600.00	164,880.00
Outstanding Balance due	130,000,000.00	112,800,000.00
Interest receivable	2,525,868.00	2,489,410.00
Oswal Leasing Limited (Security Paid)	-	100,000.00
Oswal Leasing Limited (Security Received Back)	-	100,000.00
Shri Atom Fabrics Ltd (Security Paid)	-	100,000.00
Shri Atom Fabrics Ltd (Security Received Back)	-	100,000.00
Sh. Jawahar Lal Oswal (Security Received)	-	400,000.00
Sh. Jawahar Lal Oswal (Security Refunded)	-	400,000.00

Note: Related party relationship is as identified by the Company and relied upon by the Auditors

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### Note : 17 Earning per shares

The calculation of Earning Per Share (EPS) as disclosed in the "Statement of Profit and Loss has been made in accordance with Accounting Standard (AS)-20 "Earning Per Share"

	<b>31.03.2017</b>	<b>31.03.2016</b>
a) Profit /( Loss) after tax	10,375,165.72	16,312,285.85
b) Income-tax adjustments for the prior periods	3.00	27,249.00
Net Profit	10,375,168.72	16,339,534.85
c) Number of Weighted Average		
Equity Shares outstanding	2,223,914	2,223,914
d) Earning per shares (Face value -		
Rs.10/- per share) Basic & Diluted	4.67	7.35

### Note : 18 Transfer to Statutory Reserve Fund

A sum of Rs. 20,34,000/- (Previous Year Rs. 33,05,000/-) transferred from P & L Appropriation Account to Statutory Reserve Fund A/c in compliance with the provisions of Section 45-IC of RBI Act for the Year Ending 31.03.2017.

### Note : 19

A Statement of disclosure in terms of paragraph 13 of Non-Banking Finance Companies (Non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2007 is annexed.

### Note : 20 Provision for Standard Asset and Diminuation in Investment

- a) As per RBI Guidelines a Provision of 0.25% (Previous Year - 0.30%) of Standard Asset has been created.
- b) Diminuation in Value of Investment of Hug Foods Pvt. Ltd has been provided during the year being permanent in nature.

### Note : 21

The Company Registered with Reserve Bank of India as an NBFC Vide Registration No. N - 06.00576 Dated. 17.10.2003

### Note : 22

As required under schedule - III, Division-I in Part-I of the General Instructions for Preparation of Financial Statements in Compliance with Companies (Accounting Standards) Rule, 2006, the details of specified Bank Notes held and transacted during the period 08.11.2016 To 30.12.2016 are as under: -

	SBNs	denomination	Total
Closing cash in hand as on 08.11.2016	20,000.00	3,635.00	23,635.00
( + ) Permitted receipts	NIL	NIL	
( - ) Permitted payments	NIL	NIL	
( - ) Amount deposited in Banks	20,000.00	NIL	
Closing cash in hand as on 30.12.2016	NIL	3,635.00	3,635.00

## **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

### **Note : 23**

M/s Hug Foods Private Limited having registered office at Phase - IV, Focal Point, Ludhiana is an associates of the company, as the company is holding 24% Equity Shares Capital of this associate concern. Investment in this associate has been accounted for using the equity method as prescribed under the Accounting Standard 23 issued by the Institute of Chartered Accountants of India.

### **Note : 24**

Previous year figures have been regrouped/recasted/rearranged/reclassified wherever necessary to make them comparable.

Notes 1 to 24 form an integral part of the Balance Sheet and Profit and Loss Account have been fully authenticated as such.

Subject to our report of even date  
**FOR GUPTA VIGG & COMPANY**  
Chartered Accountants  
**FRN - 001393N**

**FOR KOVALAM INVESTMENT AND TRADING CO LTD**

**(VINOD KHANNA)**  
Partner  
**M.No. 081585**

**(NAVDEEP SHARMA)**  
DIRECTOR  
DIN - 00454285

**(PAWAN KUMAR SHARMA)**  
DIRECTOR  
DIN - 07163131

Place : Ludhiana  
Dated: 29.05.2017

# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

## **ANNEXURE OF NOTE NO.19**

Disclosure of details as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Particulars	(Amount in Rs.)			
	Current Year		Previous Year	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>Liabilities side:</b>				
1) Loans and Advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid				
a) Debentures : Secured				
: Unsecured				
(Other than falling within the meaning of public deposits)	NIL	NIL	NIL	NIL
b) Deferred credits	NIL	NIL	NIL	NIL
c) Term loans	NIL	NIL	NIL	NIL
d) Inter-corporate loans and borrowings	NIL	NIL	NIL	NIL
e) Commercial Paper	NIL	NIL	NIL	NIL
f) Other loans	NIL	NIL	NIL	NIL
<b>TOTAL:</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

Particulars	(Amount in Rs.)	
	Amount outstanding	
	Current Year	Previous Year

### **Asset side:**

2) Break-up of loans and advances including bills receivables		
[Other than those included in (4) below]:		
a) Secured	NIL	NIL
b) Unsecured	130000000	112800000
<b>TOTAL:</b>	<b>130000000</b>	<b>112800000</b>
3) Break-up of leased assets and stock on hire and other assets		
i) Leased assets including lease rentals under sundry debtors		
a) Financial lease	NIL	NIL
b) Operating lease	NIL	NIL
ii) Stock on hire including hir charges under sundry debtors		
a) Asset on hire	NIL	NIL
b) Repossessed Assets	NIL	NIL
iii) Other loans counting towards AFC activities		
a) Loans where assets have been repossessed	NIL	NIL
b) Loans other than (a) above	NIL	NIL
<b>TOTAL:</b>	<b>NIL</b>	<b>NIL</b>

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

(Amount in Rs.)				
Particulars	Current Year		Previous Year	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
4 Break-up of Investments				
<b><u>Current Investments :</u></b>				
1. Quoted				
i) Shares				
a) Equity	NIL	NIL	NIL	NIL
b) Preference	NIL	NIL	NIL	NIL
ii) Debentures and Bonds	NIL	NIL	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL	NIL	NIL
iv) Government Securities	NIL	NIL	NIL	NIL
v) Others	NIL	NIL	NIL	NIL
2. Unquoted				
i) Shares				
a) Equity	NIL	NIL	NIL	NIL
b) Preference	NIL	NIL	NIL	NIL
ii) Debentures and Bonds	NIL	NIL	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL	NIL	NIL
iv) Government Securities	NIL	NIL	NIL	NIL
v) Others	NIL	NIL	NIL	NIL
Units of Fixed Maturity Plans	NIL	NIL	NIL	NIL
Units of Liquid Floater Plans	NIL	NIL	NIL	NIL
TOTAL: (A= 1+2)	NIL	NIL	NIL	NIL

**Long Term Investments**

(Amount in Rs.)		
Particulars	Current Year	Previous Year
1. Quoted		
i) Shares		
a) Equity	107762774	107762774
b) Preference	NIL	NIL
ii) Debentures and Bonds	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL
iv) Government Securities	NIL	NIL
v) Others	NIL	NIL
2. Unquoted		
i) Shares		
a) Equity	9893215	9893215
Provision for Permanent Diminuation		
in Value of Investments	(6528800)	NIL
b) Preference	5000	5000
ii) Debentures and Bonds	NIL	NIL
iii) Units of Mutural Bonds	NIL	NIL
iv) Government Securities	NIL	NIL
v) Others	NIL	NIL
TOTAL (B= 1+2)	111132189	117660989
GRAND TOAL (A+B)	111132189	117660989

# **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

(Amount in Rs.)

**5 Borrower group-wise classification of assets financed as in 92) and (3) above**

Amount net of provisions						
Current Year				Previous Year		
Category	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries						
b) Companies in the same group						
c) Other related parties	NIL	130000000	130000000	NIL	112800000	112800000
2. Other than related parties	NIL	NIL	NIL	NIL	NIL	NIL
	NIL	130000000	130000000	NIL	112800000	112800000

**6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

(Amount in Rs.)

Current Year			Previous Year	
Particulars	Markewt Value/ Break-up of fair	Book Value (Net of Provisions)	Markewt Value/ Break-up of fair (Net of Provisions)	Book Value
	Value of NAV		Value of NAV	
1. Related Parties				
a) Subsidiaries	NIL	NIL	NIL	NIL
b) Companies in the same group	NIL	NIL	NIL	NIL
c) Other related parties	340023487	88165118	181922051	94690118
2. Other than related parties	7228707	22967071	6718109	22970871
Total:	347252194	111132189	188640160	117660989

**7 Other information**

Particulars	Current Year	Previous Year
i) Gross Non-Performing Assets		
a) Related Parties	NIL	NIL
b) Other than related parties	NIL	NIL
ii) Net Non-Performing Assets		
a) Related Parties	NIL	NIL
b) Other than related parties	NIL	NIL
iii) Assets acquired in satisfaction of debt	NIL	NIL

**NOTES:**

- 1 For investments in case of unquoted shares, it is assumed that market value is same as book value.



## KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

Regd. Office: Premises Oswal Woollen Mills Ltd., G. T .Road, Sherpur, Ludhiana – 141003

CIN:L65910PB1981PLC023058

Email: Kovalam @owmnahar.com: website: www.owmnahar.com

### BALLOT FORM

Name of Registered Address of the Sole/First named Member:

Sr.No. \_\_\_\_\_

Names of the Joint Member(s), if any:

Registered Folio No.:

No. of shares held:

I/We hereby exercise my/our vote(s) in respect of the following Resolutions as set out in the Notice dated 1<sup>st</sup> September, 2017 of the Company by conveying my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark(✓ ) at the appropriate box below:

Resolution No.	Description	No. of Shares	I/we assent to the Resolution (FOR)	(/We dissent to the Resolution (AGAINST)
1.	ADOPTION OF FINANCIAL STATEMENTS STANDALONE AS WELL AS CONSOLIDATED FOR THE YEAR ENDING 31.03.2017			
2	APPOINTMENT OF SH PAWAN KUMAR SHARMA (DIN: 07163131) AS A DIRECTOR LIABLE TO RETIRE BY ROTATION			
3.	APPOINTMENT OF AUDITORS.			

Place:

Signature of the Member

or

Date :

Authorised Representative

Notes:

- (i) If you have casted your vote by e-voting, there is no need to fill and sign this form
- (ii) Please read the instructions printed overleaf carefully before exercising your vote.

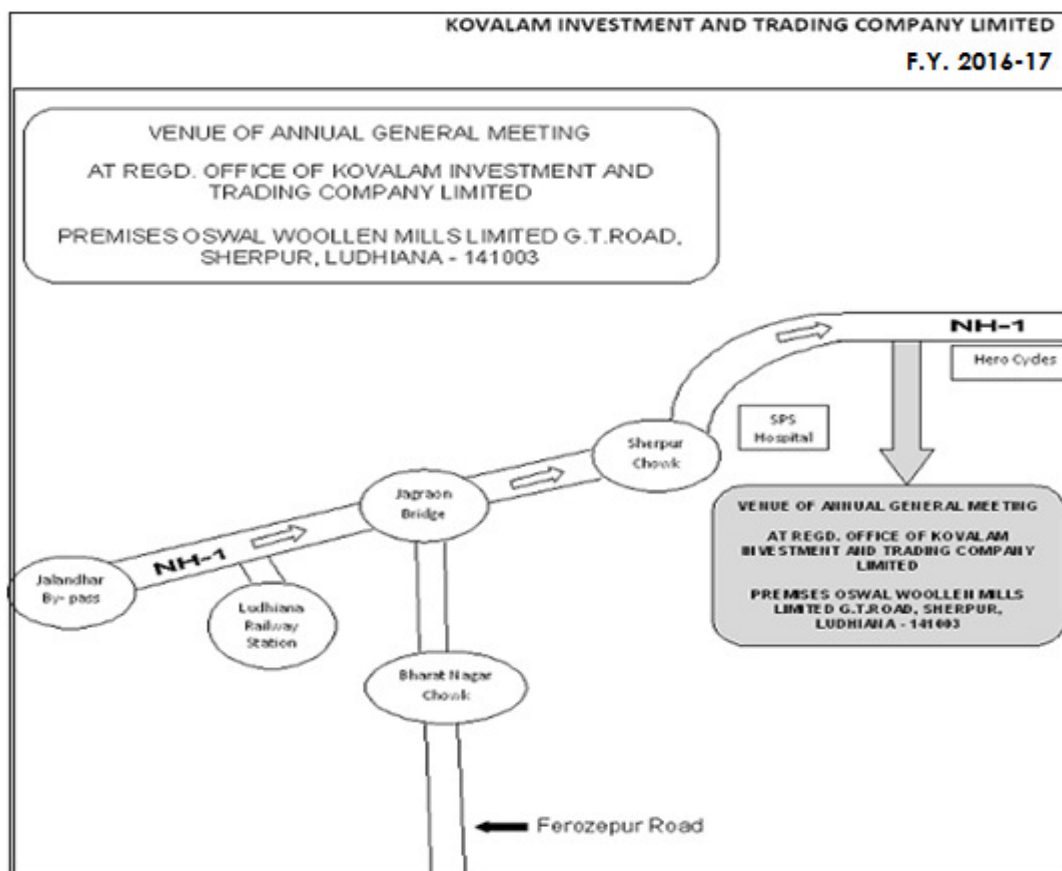
### INSTRUCTIONS

#### 1. General Instructions:

- a. There will be one Ballot form/e-voting for every Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through remote e-voting or through Ballot Form at the AGM. If a member has casted vote via remote e-voting, then vote cast by him/her via ballot form at the AGM shall be considered as invalid.
- c. Voting in the ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below under instruction no. 2(b).
- d. Any query in relation to the Resolutions proposed to be passed at the ensuing AGM may be addressed to Company at the Registered Office of the Company.
- e. The Scrutinizer's decision on the validity of a Ballot/E-voting shall be final and binding.

## 2. Instructions for voting physically by Ballot Form:

- a. This Form must be completed and signed by the Member who is desirous of exercising his/her vote at the 35<sup>th</sup> Annual General Meeting, as per specimen signature registered with the Company. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- b. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorised signatory(ies) duly attested.
- c. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Members as on cut off date i.e. 20<sup>th</sup> September, 2017.
- d. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- e. Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- f. Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.
- g. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favor or against, if any, forthwith to the Company.
- h. The result declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.ownmahar.com](http://www.ownmahar.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.



Route Map of AGM venue – not to scale

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED  
CIN:L65910PB1981PLC023058  
Regd. Office: Premises Oswal Woollen Mills Ltd,  
G.T. Road, Sherpur, Ludhiana  
Phone No. 0161-5066605, Fax. No. 0161- 5066602  
Email: kovalam@owmnahar.com

**ATTENDANCE SLIP  
E- VOTING PARTICULARS**

**35 th ANNUAL GENERAL MEETING**

2017

I/we hereby record my/our presence at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 27<sup>th</sup> day of September 2017 at 4.00 PM at the registered office of the Company.

Member's/Proxy's Name in Block Letters	No. of Shares Held
Folio No.	Member's/Proxy's Signature

- Note: 1. Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting venue.
- Please read instructions given at Note No.19 of the Notice of 35<sup>th</sup> Annual General Meeting carefully before voting electronically.

**ELECTRONIC VOTING PARTICULARS**

EVSN (E-voting Sequence Number)	User ID/Folio No.	Sequence No.
---------------------------------	-------------------	--------------

..... Cut here .....

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED  
CIN:L65910PB1981PLC023058  
Regd. Office: Premises Oswal Woollen Mills Ltd,  
G.T. Road, Sherpur, Ludhiana  
Phone No. 0161-5066605, Fax. No. 0161- 5066602  
Email: kovalam@owmnahar.com

**PROXY FORM (Form No. MGT-11)**

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

Name of the Members(s)	
Registered Address	
Email Id	
Folio No.	

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

- Name \_\_\_\_\_ Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday the 27<sup>th</sup> day of September 2017 at 4.00 pm at the premises of Oswal Woollen Mills Limited, G.T.Road, Sherpur Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolution	Optional	
		FOR	AGAINST
1.	ADOPTION OF FINANCIAL STATEMENTS STANDALONE AS WELL AS CONSOLIDATED FOR THE YEAR ENDING 31.03.2017		
2.	APPOINTMENT OF SH PAWAN KUMAR SHARMA (DIN:07163131) AS A DIRECTOR LIABLE TO RETIRE BY ROTATION		
3.	APPOINTMENT OF AUDITORS.		

Place:

Signature of share holders / proxy holders  
or  
Authorised Representative

Date :

Notes:

Office  
Revenue  
Stamp  
Re.1/-

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
- For the resolutions & notes, please refer to the notice of 35<sup>th</sup> Annual General Meeting.
- Its optional to put a (✓) in the appropriate column against the resolutions indicated in the box, if you leave the 'For' or 'Against' column blank against any of the resolutions your proxy will be entitled to vote in the manner as he or she thinks appropriate.
- Please complete all details including details of members in above box before submission.

# COURIER

(Printed Matter)

If undelivered, Please return to:

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

Regd Office : Premises of Oswal Woollen Mills Ltd

G.T Road , Sherpur, Ludhiana. 141003, Punjab.

Ph:0161-5066605, Fax: 0161-5066602

Email: [kovalam@owmnahar.com](mailto:kovalam@owmnahar.com)