

**KOVALAM INVESTMENT & TRADING CO. LTD.**  
**Regd. Off. Premises Oswal Woollen Mills Ltd.G.T.Road, Sherpur, Ludhiana**

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**NOTICE**

Notice is hereby given that the 28th Annual General Meeting of the members of Kovalam investment & Trading Company Limited will be held at Regd. Office of the Company on Thursday the 30th day of September 2010 at 4:00 PM to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2010, the profit and loss account for the financial year ended on that date and the reports of directors and auditors thereon.
2. To appoint Director in place of Sh. Sat Paul Nijhawan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration

**For and on behalf of the Board,**

  
Sat Paul Nijhawan  
Chairman

**Place: Ludhiana**  
**Dated:31.07.2010**

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member.
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.
3. The register of members and share transfer books of the company shall remain closed from 28<sup>th</sup> September 2010 to 30<sup>th</sup> September 2010 (both days inclusive) for AGM purpose.
4. 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.
5. Members are requested to notify the change in their address, if any, to the company at the earliest.

**KOVALAM INVESTMENT & TRADING CO. LTD.**  
Regd. Off. Premises Oswal Woollen Mills Ltd.G.T.Road, Sherpur, Ludhiana

**DIRECTOR'S REPORT**

**TO THE MEMBERS:-**

Your directors present the 28<sup>th</sup> Annual Report together with the audited accounts of the company for the year ended 31<sup>st</sup> March 2010.

**WORKING RESULTS:**

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

	Amount in Rupees	
	Year ended 31.03.2010	Year ended 31.3.2009
Gross Income	1,69,19,220	95,36,252
Profit before tax	1,62,25,643	(26,979)
Less : Provision for income tax	(37,73,361)	(21,54,300)
Excess Provisions of income tax written off	0	28,088
Deferred Tax Liability / Assets	40,112	6,95,584
Profit after Tax for the year	1,24,92,394	(14,57,607)
Add : Balance B/F from previous year	0	2,04,560
Available for appropriation	1,24,92,394	(12,53,047)
Transferred to Reserve Fund	24,99,000	0
Transferred to general reserve	50,00,000	(12,53,047)
Balance carried forward	49,93,394	0

**OPERATIONS**

During the year under review the company's funds remained invested in Shares, Loans and Advances. The dividend income earned was Rs. 42,42,983 /- (previous year Rs. 23,26,000/-). The interest income earned was Rs. 16,36,948 /- (previous years Rs. 15,60,343/-). During the year the company also earned brokerage income of Rs. 95,02,581 /- on mobilization of funds of third parties (previous year 55,07,509). During the year the company has also received income from capital gain and income from trading in share.

**DIVIDEND**

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

**DIRECTORS**

Sh. Sat Paul Nijhawan, Director of the company retires by rotation at the ensuing Annual General meeting and being eligible offers himself for re-appointment.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2010, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the company for the year under review.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the accounts for the financial year ended 31.03.2010 on a 'going concern' basis.

## **COMPLIANCE CERTIFICATE**

A certificate from a secretary in whole time practice regarding compliance of all provisions of the companies act as required under proviso to section 383A of the Act is attached to this report.

## **FIXED DEPOSITS:**

The company did not accept any public deposit during the financial year under consideration within the meaning of Section 58-A of the companies Act, 1956 and to which para 4-8 of Non banking financial Companies (Reserve Bank) directions, 1998 apply.

## **AUDITORS:-**

M/s. Gupta Vigg & Co. Chartered Accountant, Ludhiana, the auditors of the company, retire at the conclusion of the forthcoming Annual General Meeting and offer themselves for reappointment.

## **Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and outgo.**

Information as per Section 217(1)(e) read with companies (disclosure of particulars in the report of Board of Directors), Rules 1988 is given as under:

1. Conservation of energy N.A

- |    |                                    |     |
|----|------------------------------------|-----|
| 2. | Technology absorption              | N.A |
| 3. | Foreign Exchange Earning and outgo | N.A |

### **PARTICULARS OF EMPLOYEES**

None of the employees is covered under companies (particulars of employees) Rules, 1975 made in accordance with Section 217(2A) of the companies Act, 1956. Hence no statement u/s 217(2A) of the companies Act, 1956 is required.

### **LISTING FEES**

Your company's shares are listed on the Stock Exchange, Mumbai and the listing fee for the financial year 2010-2011 has been paid. Your company has filed the listing application with the Stock Exchange, Mumbai for listing of 1461210 equity shares allotted on account of amalgamation for which listing approval is awaited.

### **GENERAL:**

The notes forming part of the accounts being self explanatory, the comments made by the auditors in their report are not being dealt with separately.

### **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

  
Sat Paul Nijhawan  
Chairman

Place : Ludhiana

Date : 31.07.2010

GUPTA VIIG & CO.  
Chartered Accountants  
K-101 Kismat Complex G.T. Road  
Miller Ganj, LUDHIANA.  
[Phones: 2532297, 2535156]

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AUDITORS' REPORT  
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The Members of  
KOVALAM INVESTMENT & TRADING CO. LTD.,  
LUDHIANA.  
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We have audited the attached Balance Sheet of M/s Kovalam Investment & Trading Company Limited, Ludhiana as at 31st March, 2010 and Profit & Loss Account and also Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that :-

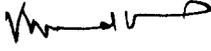
- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
- (v) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion, there is no adverse effect on the functioning of the Company.

(vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes on Accounts as per Schedule - IX give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (b) in the case of the Profit & Loss Account, of the profit/loss for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Dated: 31.07.2010  
Place: LUDHIANA.

For GUPTA VIGG & CO.  
Chartered Accountants  
Firm Regn.No. 001393N

  
(VINOD KHANNA)  
M.NO.81585  
PARTNER



ANNEXURE TO AUDITORS' REPORT

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[Referred to in paragraph (3) thereof]

- (i) a) The Company has maintained proper records showing full particular including quantitative details and situation of the fixed assets.
- b) According to the information and explanation given to us, the Company has only Land & Building as its fixed assets the same are physically verified by the management at the year end.
- c) In our opinion, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) The Company does not have any inventories. Hence Clauses 4(ii)(a),(b) and (c) are not applicable to the Company.
- (iii) a) The Company has granted loan to one party covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.2,57,44,183 and year end balance is Rs.2,57,44,183/-.
- b) In our opinion, the rate of interest and other terms & conditions on which the loans have been granted are not prima-facie prejudicial to the interest of the Company.
- c) The Loans granted are receivable on demand.
- d) There is no overdue amount.
- e) The Company has not taken any loans from the parties covered in the registered maintained u/s 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii)(f) & (g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business. During the course of our audit, we have not observed any major weaknesses in internal control.
- (v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- b) In our opinion and according to the information and explanations given to us, no transactions have been made made in pursuance of such contracts or arrangements during the year.
- (vi) The company has not accepted any deposits from public. Hence, the clause 4(vi) of the Order is not applicable to the company.
- (vii) In our opinion, the company has internal audit system commensurate with its size and nature of its business.
- (viii) The maintenance of cost records has not been prescribed by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. Hence clause 4(viii) of the Order is not applicable.

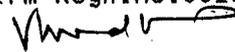
- (ix) a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, custom duty, excise duty, cess and other material statutory dues applicable to the company, if any, have been regularly deposited with appropriate authorities.  
According to the information and explanations given to us, undisputed amounts payable in respect of above dues were not in arrears, as at 31st March, 2010 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service-tax, excise duty and cess which have not been deposited on account of any disputes.
- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- (xi) The Company has not borrowed any money from banks or financial institutions. Hence Clause 4(xi) is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) In respect of dealing/investments in shares, in our opinion and according to the information and explanations given to us, proper records have been maintained of the investments and timely entries have been made therein. The shares and other investments have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any term loans and hence not applicable.
- (xvii) The Company has not raised any funds on short term basis. Accordingly, Clause 4(xvii) is not applicable to the Company.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Hence clause 4(xviii) of the Order is not applicable.
- (xix) The company has not issued debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.

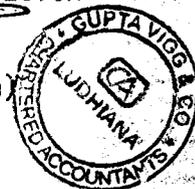
(xx) The company has not raised money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Dated: 31.07.2010  
Place: LUDHIANA.

For GUPTA VIGG & CO.  
Chartered Accountants  
Firm Regn.No.001393N

  
(VINOD KHANNA)  
Partner  
M.No. 81585



**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED****PREMISES: OSWAL WOOLLEN MILLS LTD, G.T. ROAD, SHERPUR, LUDHIANA****BALANCE SHEET AS AT 31.03.2010**

PARTICULARS	SCHEDULE	AMOUNT (RS.)	
		AS AT 31.03.2010	AS AT 31.03.2009
<b><u>SOURCES OF FUNDS</u></b>			
<u>Shareholder's Funds</u>			
Share Capital	I	17,062,100.00	17,062,100.00
Reserves & Surplus	II	<u>123,082,980.25</u>	<u>110,590,586.27</u>
<b>TOTAL : -</b>		<u><u>140,145,080.25</u></u>	<u><u>127,652,686.27</u></u>
<b><u>APPLICATION OF FUNDS</u></b>			
<u>Fixed Assets (At Cost)</u>			
Gross Block	III	14,627,865.00	
Less: Depreciation		<u>194,388.00</u>	
		14,433,477.00	0.00
Investments	IV	94,827,790.44	116,701,717.39
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
<u>(Unsecured Considered Good)</u>			
Current Assets	V	1,112,415.33	1,105,428.19
Loans & Advances	VI	<u>32,818,438.48</u>	<u>11,326,897.69</u>
	TOTAL: A	<u><u>33,930,853.81</u></u>	<u><u>12,432,325.88</u></u>
LESS:			
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
Current Liabilities	VII	9,376.00	22,641.00
Provisions	VIII	<u>3,773,361.00</u>	<u>2,154,300.00</u>
	TOTAL: B	<u><u>3,782,737.00</u></u>	<u><u>2,176,941.00</u></u>
NET CURRENT ASSETS ( A - B )		30,148,116.81	10,255,384.88
Deferred Tax Asset (Net)		<u>735,696.00</u>	<u>695,584.00</u>
<b>TOTAL: -</b>		<u><u>140,145,080.25</u></u>	<u><u>127,652,686.27</u></u>

**NOTES ON ACCOUNTS**

IX

*"SUBJECT TO OUR SEPARATE**REPORT OF EVEN DATE"***FOR GUPTA VIGG & CO**

Chartered Accountants

**( VINOD KHANNA**

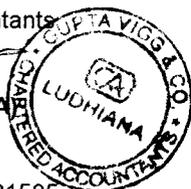
PARTNER

Membership No. 81585

FRN: 01393N

PLACE : LUDHIANA

DATED: 31.07.2010

**FOR KOVALAM INVESTMENT AND TRADING CO LTD****(SAT PAUL NIJHAWAN)**

DIRECTOR

**(GAGNISH BHALLA)**

DIRECTOR

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED****PREMISES: OSWAL WOOLLEN MILLS LTD, G.T. ROAD, SHERPUR, LUDHIANA****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

<b>PARTICULARS</b>	<b>CURRENT YEAR AMOUNT (RS.)</b>	<b>PREVIOUS YEAR AMOUNT (RS.)</b>
<b>INCOME</b>		
<b>INTEREST</b> (Tax Deducted at Sources Rs. 1,63,695/- Previous year Rs.3,53,574/-)	1,636,948.00	1,560,343.00
<b>DIVIDEND INCOME</b>		
On Trade Investments	588,863.50	797,927.00
On Other Investments	3,654,119.97	1,528,073.40
<b>BROKERAGE INCOME</b>		
(Tax Deducted at Sources Rs.8,505/- Previous Year - Rs.21,476/-)	9,502,580.67	5,507,509.20
<b>MISC. INCOME</b> (Tax Deducted at Sources Rs.400/- Previous Year Rs. 3,626/-)		
Long Term Capital Gain (Net)	18,132.37	142,399.00
Income from Trading	1,494,075.01	0.00
	24,500.89	0.00
	<u>16,919,220.41</u>	<u>9,536,251.60</u>
<b>EXPENDITURE</b>		
Long Term Capital Loss (Net)	0.00	4,571,607.16
Short Term Capital Loss (Net)	259,626.96	4,297,552.07
Printing & Stationery	1,750.00	1,436.00
Rate, Fee & Taxes	1,500.00	9,000.00
Bank Charges	974.00	992.00
Salary	66,000.00	66,000.00
Listing Fees	11,030.00	11,084.00
Postage & Telegram Charges	4,607.00	3,675.00
Legal & Professional	79,581.00	245,466.00
Electricity Expenses	5,380.00	0.00
Misc. Expenses	721.80	693.80
PMS Pool Expenses	993.00	9,740.00
S.T.T. Paid	56,917.37	86,260.90
S.T.T. (Trading)	290.30	0.00
Donation Paid	0.00	250,000.00
Depreciation	194,388.00	0.00
<b>AUDITOR'S REMUNERATION</b>		
Audit Fee	7,170.00	6,618.00
Tax Audit Fee	2,206.00	2,206.00
Certification Charges	442.00	900.00
	<u>693,577.43</u>	<u>9,563,230.93</u>
PROFIT BEFORE TAX	16,225,642.98	(26,979.33)
Provision for Taxation	(3,773,361.00)	(2,154,300.00)
Excess Provision of Income Tax Written Back	0.00	28,088.00
Deferred Tax Liability /Assets	40,112.00	695,584.00
PROFIT AFTER TAX	12,492,393.98	(1,457,607.33)
Balance B/F from Last Account	0.00	204,559.60
BALANCE AVAILABLE FOR APPROPRIATION	<u>12,492,393.98</u>	<u>(1,253,047.73)</u>
<b>APPROPRIATION</b>		
General Reserve	5,000,000.00	(1,253,047.73)
Statutory Reserve Fund	2,499,000.00	0.00
Balance carried over to Balance Sheet	4,993,393.98	0.00
	<u>12,492,393.98</u>	<u>0.00</u>
Earning Per Share ( Value of Rs. 10/- Each ) (Basic & Diluted)	7.32	(0.85)

Earning Per Share ( Value of Rs. 10/- Each ) (Basic & Diluted)  
Subject to our Separate report of even date

for **GUPTA VIGG & CO.**

CHARTERED ACCOUNTANTS

(VINOD KHANNA)

PARTNER

Membership No. 81585

FRN: 01393N

PLACE : LUDHIANA

DATED : 31.07.2010



FOR KOVALAM INVESTMENT AND TRADING CO LTD

(SAT PAUL NIJHAWAN)  
DIRECTOR

(GAGNISH BHALLA)  
DIRECTOR

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**  
**PREMISES: OSWAL WOOLLEN MILLS LTD, G.T. ROAD, SHERPUR, LUDHIANA**

**SCHEDULES ATTACHED TO AND FORMING PART OF**  
**THE BALANCE SHEET AS ON 31.03.2010**

PARTICULARS	AMOUNT (RS.)	
	AS AT 31.03.2010	AS AT 31.03.2009
<b><u>SCHEDULE-I</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>Authorised</u></b>		
2000000 -Equity Shares of Rs.10/- each.		
(Previous Year Same)	20,000,000.00	20,000,000.00
	<u>20,000,000.00</u>	<u>20,000,000.00</u>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
1706210 Equity Shares of Rs.10/- each		
fully paid up (Previous Year Same)	17,062,100.00	17,062,100.00
	<u>17,062,100.00</u>	<u>17,062,100.00</u>
<b><u>SCHEDULE-II</u></b>		
<b><u>RESERVE &amp; SURPLUS</u></b>		
<b><u>GENERAL RESERVE</u></b>		
Balance as per Last Account	88,354,586.27	89,607,634.00
Less: Transferred to P & L Appropriation	<u>0.00</u>	<u>1,253,047.73</u>
	88,354,586.27	88,354,586.27
Add: Transferred from P&L Appropriation	<u>5,000,000.00</u>	<u>0.00</u>
	93,354,586.27	88,354,586.27
<b><u>CAPITAL RESERVES</u></b>		
Balance as per Last Account	963,000.00	963,000.00
<b><u>STATUTORY RESERVE FUND</u></b>		
Balance as per Last Account	21,273,000.00	21,273,000.00
Add: Transferred from P&L Appropriation	<u>2,499,000.00</u>	<u>0.00</u>
	23,772,000.00	21,273,000.00
SURPLUS IN PROFIT & LOSS ACCOUNT	<u>4,993,393.98</u>	<u>0.00</u>
	<u>123,082,980.25</u>	<u>110,590,586.27</u>

**KOVALAM INVESTMENT AND TRADING CO LTD**

REGD. OFFICE: PREMISES OSWAL WOOLLEN MILLS LTD, G.T. ROAD, SHERPUR, LUDHIANA

**SCHEDULES -III OF FIXED ASSETS AS ON 31-03-2010**

NAME OF ASSETS	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K				
	AS AT 01.04.2009	ADDITIONS DURING THE YEAR	SALES/ADJT DURING THE YEAR	AS AT 31.03.2010	UPTO 31.03.2009	RATE 180 DAYS	MORE THAN 180 DAYS	LESS THAN 180 DAYS	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
<b>LAND</b>	0.00	10,740,104.00	0.00	10,740,104.00	0.00	0.00	0.00	0.00	0.00	10,740,104.00	0.00
<b>BUILDING</b>	0.00	3887761	0.00	3887761	0.00	10%	0.00	194,388.00	194388	3693373	0.00
<b>TOTAL:-</b>	0.00	14,627,865.00	0.00	14,627,865.00	0.00	0.10	0.00	194,388.00	194,388.00	14,433,477.00	0.00
<b>PREVIOUS YEAR FIGURES</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS			AS AT	AS AT
			31.03.2010	31.03.2009
<b><u>SCHEDULE - IV</u></b>				
<b><u>INVESTMENTS (AT COST)</u></b>				
<b><u>LONG TERM INVESTMENTS</u></b>				
<b><u>TRADE</u></b>	<b><u>No. of Shares</u></b>	<b><u>Face Value</u></b>		
<b><u>QUOTED</u></b>		<b><u>(Rs.)</u></b>		
Oswal Leasing Limited	14200	10.00	142,668.00	142,668.00
Nahar Capital and Financial Services Ltd	371527	5.00	10,851,859.42	10,851,859.42
Bajaj Holding and Investment Ltd	100	10.00	151,734.48	151,734.48
Bajaj Finserv Ltd	600 (100)	5.00	219,810.56	57,471.12
HB Portfolio Ltd	18999 (201000)	10.00	1,356,731.46	9,588,632.13
<b><u>UNQUOTED</u></b>				
<b><u>Equity Shares Fully paid up</u></b>				
Vardhman Investments Limited	11	100.00	102.00	102.00
Atam Vallabh Financiers Limited	11	100.00	101.00	101.00
Ludhiana Holdings Limited	1	100.00	102.00	102.00
Nagdevi Trading and Investment Co Ltd	3350	100.00	50,000.00	0.00
Ogden Trading & Investment Co Pvt Ltd	(1675)	10.00	0.00	50,000.00
Palam Motels Limited	75	100.00	109,671.00	109,671.00
<b><u>OTHERS</u></b>				
<b><u>QUOTED</u></b>				
<b><u>Equity Shares Fully paid up</u></b>				
Nahar Spinning Mills Limited	381911	5.00	10,266,798.44	10,266,798.44
Nahar Industrial Enterprises Limited	1102834	10.00	25,635,833.41	25,635,833.41
Nahar Poly Films Ltd	213037	5.00	1,329,538.49	1,329,538.49
MOI Engg. Ltd.	70	10.00	500.00	500.00
SRF LIMITED	49	10.00	166.39	166.39
Kirloskar Pneumatic co Ltd	1	10.00	60.00	60.00
Mahanagar Telephone Nigam Ltd	55500	10.00	8,858,915.66	8,858,915.66
Reliance Communications Ltd	12000	5.00	4,215,243.07	4,215,243.07
IDEA cellular Ltd	7586	10.00	608,927.94	608,927.94
3I Infotech Ltd	1200	10.00	164,495.55	164,495.55

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS			AS AT	AS AT
			31.03.2010	31.03.2009
Amara Raja Batteries Ltd	1000	2.00	176,814.39	0.00
Agro Tech Foods Ltd	1340	10.00	337,214.17	0.00
Bharat Electronics Ltd (BEL)	(100)	10.00	0.00	153,806.56
Bharat Forge Ltd	1000	2.00	365,156.15	365,156.15
Container Corporation of India Ltd	(380)	10.00	0.00	404,160.88
Elecon Engineering Co Ltd	300	2.00	50,549.49	50,549.49
Gemini Communications Ltd	5000	1.00	208,794.67	208,794.67
ICICI BANK	(300)	10.00	0.00	215,345.49
I.D.B.I. Bank Ltd	50000	10.00	6,237,989.45	6,237,989.45
Infosys Technologies Ltd	(600)	5.00	0.00	1,094,096.15
IVRCL Infrastructures and Projects Ltd	1000	2.00	80,955.13	260,582.10
I.F.C.I. Ltd	4000	10.00	226,962.17	226,962.17
Jindal Saw Ltd	12500	2.00	1,748,947.85	1,748,947.85
	(2500)	10.00		
Mahindra & Mahindra (MM)	(200)	10.00	0.00	154,704.38
Moser Baer India Ltd	750	10.00	250356.24	250356.24
Morepen Laboratories Ltd	50000	2.00	837,799.48	837,799.48
MIC Electronics Ltd	1000	2.00	113,777.50	113,777.50
Nagar Constructions	600	2.00	105,631.99	105,631.99
Noida Toll Bridge	25000	10.00	1,323,725.67	1,323,725.67
Oriental Bank of Commerce	(1000)	10.00	0.00	173,652.36
Paper Product	1000	2.00	74,981.73	74,981.73
Reliance Industries Ltd	324	10.00	328,311.31	203,342.70
	(100)			
Reliance Infrastructures Ltd	(100)	10.00	0.00	51,704.50
Reliance Petroleum Ltd	(1000)	10.00	0.00	125,976.42
Reliance Power Ltd	1000	10.00	154,267.40	154,267.40
Swaraj Mazda Ltd	2000	10.00	692,572.41	692,572.41
Steel Authority of India Ltd	12000	10.00	2,161,977.57	2,161,977.57
Steel Strips Wheels Ltd	14500	10.00	3,200,053.96	3,200,053.96

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS			AS AT	AS AT
			31.03.2010	31.03.2009
Tata Motors Ltd	200	10.00	152,493.11	152,493.11
Tata Consultancy Services Ltd (TCS)	(375)	1.00	0.00	422,193.35
Tata Chemicals Ltd	1000	10.00	385,132.44	385,132.44
Torrent Power Ltd	(1000)	10.00	0.00	176,179.66
Tube Investments of India Ltd	(1000)	2.00	0.00	75,568.70
Bartronics India Ltd	1000	10.00	155,152.59	0.00
NHPC Ltd	5000	10.00	167,396.67	0.00
SREI Infrastructure Finance Ltd	4750	10.00	349,876.81	0.00
Sundaram Fasteners Ltd	5000	1.00	262,810.20	0.00
<u>UN-QUOTED</u>				
<u>Equity Shares Fully paid up</u>				
White Tiger Breweries & Distilleries Ltd	50000	10.00	653,059.00	653,059.00
Shri Atam Fabrics Ltd	8000	10.00	80,180.00	80,180.00
<u>7.5% Preference Shares Fully Paid Up</u>				
Raj & Sandeep Private Limited.	50	100.00	5,000.00	5,000.00
<u>INVESTMENTS IN EQUITY SHARES</u>				
<u>With DSP Merrill Lynch Fund Managers Ltd- PMS</u>				
<u>QUOTED</u>				
Reliance Industries Ltd	(237)	10.00	0.00	450,874.20
Hero Honda Motors Ltd	(456)	2.00	0.00	320,785.04
DLF Limited	(1899)	2.00	0.00	347,630.14
Century Textiles Ltd	(708)	10.00	0.00	712,339.17
Gulf Oil Corporation Ltd	(3546)	2.00	0.00	850424.78
Punjab National Bank	(571)	10.00	0.00	268,088.87
Union Bank of India	(1477)	10.00	0.00	220,539.52
ICICI Bank Ltd	(581)	10.00	0.00	200,928.03
Bharat Petroleum Corporation Ltd	(493)	10.00	0.00	192,317.77

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

PARTICULARS			AS AT	AS AT
			31.03.2010	31.03.2009
Bajaj Auto Ltd	(494)	10.00	0.00	238,502.61
Bharti Airtel Ltd	(551)	10.00	0.00	383,488.04
Cairn India Ltd	(1113)	10.00	0.00	199,300.99
Infosys Technologies Ltd	(253)	5.00	0.00	318,936.10
Voltas Ltd	(8126)	1.00	0.00	748,675.23
Bharat Heavy Electronics Ltd	(264)	10.00	0.00	347,516.08
Cipla Ltd	(1898)	2.00	0.00	354,587.59
<b><u>UNITS</u></b>				
Tata Balanced Fund - Growth	132675.563		9,976,592.02	0.00
Tata SIP Fund Scheme -I	(1000000)	10.00	0.00	10,000,000.00
<b><u>Investment in Units with DSP Merrill Lynch</u></b>				
DSP BlackRock Money Manager Fund - Inst. Growth	(814.9806)		0.00	973,241.60
<b><u>Investment in Equity Linked Debenture</u></b>				
Through DSP BlackRock Investment Managers Pvt. Ltd				
Non Conv. Debenture of DSP Merrill Lynch				
Capital Cautious Series 2006/AK	(5)	10-Lac	0.00	5,000,000.00
			<u>94,827,790.44</u>	<u>116,701,717.39</u>
Aggregate value of Quoted Investments			93,929,575.44	115,803,502.39
Aggregate value of Unquoted Investments			898,215.00	898,215.00
Market Value of Quoted Investments			169,289,638.06	81,927,906.60

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

<b>PARTICULARS</b>	<b>AS AT 31.03.2010</b>	<b>AS AT 31.03.2009</b>
<b><u>SCHEDULE- V</u></b>		
<b><u>CURRENT ASSETS</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in Hand	1,156.57	12,683.57
Cheques in Hand	0.00	172,637.23
<b><u>BALANCES WITH SCHEDULE BANKS</u></b>		
In Current Account		
Allahabad Bank, Ludhiana	1,064,643.82	399,824.75
Punjab National Bank, Ludhiana.	13,902.28	92,997.28
ICICI Bank Ltd	32,712.66	83,492.66
Citi Bank (PMS)	0.00	343,792.70
	<u>1,112,415.33</u>	<u>1,105,428.19</u>
<b><u>SCHEDULE-VI</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
(Unsecured Considered good)		
<b><u>LOANS/DEPOSITS</u></b>		
Oswal Woollen Mills Limited	25,744,183.00	6,070,930.00
<b><u>ADVANCES</u></b>		
(Recoverable in cash or in kind or for value to be received )		
Stock Holding Corporation of India Ltd	70.44	730.79
Advance Income Tax & TDS	3,408,974.42	2,115,050.42
<b><u>OTHER</u></b>		
Master Capital Services Ltd	710,099.35	0.00
MTL Share and Stock Brokers Ltd	0.00	1,054,039.54
Batlivala & Karani Securities	0.00	204,157.49
Edelweiss Securities Pvt. Ltd	0.00	239,218.49
Prabhudas Lilladher Pvt. Ltd	0.00	222,088.10
SKP Securities Ltd	0.00	218,361.25
Brokerage Receivable	2,318,381.27	564,742.61
Dividend Receivable	636,730.00	637,579.00
	<u>32,818,438.48</u>	<u>11,326,897.69</u>
<b><u>SCHEDULE-VII</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Audit Fee Payable	7,170.00	6,618.00
Tax Audit Fee Payable	2,206.00	2,206.00
Tax Deducted at Sources Payable	0.00	1,360.00
Management Fee Payable	0.00	10,646.00
Custodian Fee Payable	0.00	1,811.00
	<u>9,376.00</u>	<u>22,641.00</u>
<b><u>SCHEDULE-VIII</u></b>		
<b><u>PROVISIONS</u></b>		
<b><u>Taxation</u></b>		
Income Tax	3,773,361.00	2,154,300.00
	<u>3,773,361.00</u>	<u>2,154,300.00</u>

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**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

**SCHEDULE- IX**

**NOTES ON ACCOUNTS**

1) **SIGNIFICANT ACCOUNTING POLICIES :**

**a) 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, 1956.

**b) 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.

**c) Fixed Assets and Depreciation**

Tangible assets are stated at Cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation is charged on WDV basis as per Income Tax Rule.

**d) Investments**

The Investments are stated at cost, Diminution in value of Investments on account of market fluctuations which are not of permanent nature have not been provided for. Market value of mutual fund is considered on NAV basis.

**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**

### 2) **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 Lac)

	INVESTMENT & FINANCE		SERVICES (BROKERAGE)		TOTAL	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
External	71.57	(48.41)	95.03	55.08	166.60	6.67
Inter Segment	-	-	-	-	-	-
Total Revenue	71.57	(48.41)	95.03	55.08	166.60	6.67

#### **RESULTS**

Segment Result (Before Tax)	67.89	(52.19)	94.36	54.42	162.25	2.23
Unallocable Expenses	-	-	-	-	0.00	2.50
Income Tax-Current	-	-	-	-	(37.73)	(21.54)
Deffered Tax Asset	-	-	-	-	0.40	6.96
Profit from Ordinary Business	-	-	-	-	124.92	(14.85)

#### **OTHER INFORMATION**

Segment Assets	1,374.65	1,264.54	23.18	5.65	1,397.83	1,270.19
Unallocable Assets	-	-	-	-	41.44	28.10
Segment Liabilities	0.09	0.23	-	-	0.09	0.23
Unallocable Liabilities	-	-	-	-	37.73	21.54
Depriciation.	1.94	-	-	-	1.94	-
Non Cash Expenses	-	-	-	-	-	-

#### **SIGMENT ACCOUNTING POLICIES:**

- a) Sgment Revenue includes Income directly identifiable with/allocable to the segment including intersegment revenue.
- b) Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result. The expenses which relate to the Company as a whole and not allocable to segments, are included under "other unallocable expenditure."
- 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.

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**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

3) **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**

OSWAL WOOLLEN MILLS LIMITED

**(B) KEY MANAGEMENT PERSONNEL**

1. SH. SAT PAUL NIJHAWAN.
2. SH. GAGNISH KUMAR BHALLA
3. SH. NAVDEEP SHARMA

**( C ) TRANSACTION DURING THE YEAR WITH ASSOCIATES**

	<u>31.03.2010</u>	<u>31.03.2009</u>
I) INTEREST RECEIVED ON INTER CORPORATE DEPOSITS PLACED(NET)	1,473,253.00	1,206,769.00
II) INTERCORPORATE DEPOSITS PLACED DURING THE YEAR	30,200,000.00	20,400,000.00
iii) INTERCORPORATE DEPOSITS REALISED	12,000,000.00	20,632,214.00
OUTSTANDING BALANCE DUE	25,744,183.00	6,070,930.00
INTEREST RECEIVABLE	NIL	NIL

Note: Related Party relationship is as identified by the company and relied upon by the Auditors.

4) **Earning per Shares**

As per Accounting Standard 20 of the Institute of Chartered Accountants of India, regarding

earning per share, the detail is as under:-

	<u>31.03.2010</u>	<u>31.03.2009</u>
No of Equity Share (Rs.10/- each)	1706210	1706210
Profit/Loss after Tax	Rs. 12492393.98	(1,457,607.33)
Earning per Shares (Basic and Diluted)	Rs. 7.32	(0.85)

5) **DEFERRED TAX ASSETS/LIABILITY**

As per Accounting standard 22, of the institute of Chartered Accountants of India, is as under:

	<u>31.03.2010</u>	<u>31.03.2009</u>
Deferred Tax Assets		
Timing difference on account		
of Short Term Capital Loss	Rs. 735,696.00	695,584.00



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**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

(4) Break-up of Investments:

Current Investments:

1. Quoted:

(1) Shares	(a) Equity	NIL	NIL
	(b) Preference	NIL	NIL
(ii) Debentures and Bonds		NIL	NIL
(iii) Units of Mutual Funds		NIL	NIL
(iv) Governments Securities		NIL	NIL
(v) Others		NIL	NIL

2. Unquoted:

(1) Shares	(a) Equity	NIL	NIL
	(b) Preference	NIL	NIL
(ii) Debentures and Bonds		NIL	NIL
(iii) Units of Mutual Funds		NIL	NIL
(iv) Governments Securities		NIL	NIL
(v) Others		NIL	NIL
Units of Fixed Maturity Plans		NIL	NIL
Units of Liquid Floater Plans		NIL	NIL
<b>TOTAL(A=1+2)</b>		<b>NIL</b>	<b>NIL</b>

Long Term investments:

1. Quoted

(1) Shares	(a) Equity	83952983	104830260
	(b) Preference	NIL	NIL
(ii) Debentures and Bonds		NIL	5000000
(iii) Units of Mutual Funds		9976592	10973242
(iv) Government Securities		NIL	NIL
(v) Others		NIL	NIL

2. Unquoted:

(1) Shares	(a) Equity	893215	893215
	(b) Preference	5000	5000
(ii) Debentures and Bonds		NIL	NIL
(iii) Units of Mutual Funds		NIL	NIL
(iv) Government Securities		NIL	NIL
(v) Others		NIL	NIL
<b>TOTAL (B=1+2)</b>		<b>94827790</b>	<b>116701717</b>
<b>GRAND TOTAL (A + B)</b>		<b>94827790</b>	<b>116701717</b>

## KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

(5) Borrower group-wise classification of assets financed as in (2) and (3) above: (Amount in Rs.)

Category	Amount net of provisions					
	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related parties		26380570			6707317	
2. Other than related parties		3028894			2504530	
<b>Total</b>		<b>29409464</b>			<b>9211847</b>	

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

(both quoted and unquoted):

(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Market Value/Break-up	Book Value	Market Value/Break-up	Book Value
	or fair value of NAV	(Net of Provisions)	or fair value of NAV	(Net of Provisions)
1. Related Parties				
(a) Subsidiaries				
(b) Companies in the same group				
(c) Other related parties	134039488	49119913	46437038	49119913
2. Other than related parties	36148365	45707877	36389084	67581804
<b>Total</b>	<b>170187853</b>	<b>94827790</b>	<b>82826122</b>	<b>116701717</b>

(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. Companies in the same group means companies under the same management as per Section 370(1B) of the Companies Act, 1956.
2. For investments in case of unquoted shares, it is assumed that market value is same as book value.

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

- 7) A sum of Rs.24,99,000/- (Previous Year Rs.NIL) transferred from P & L Appropriation A/c to Statutory Reserve Fund A/c in compliance with the provisions of Section 45- IC of RBI Act for the year ending 31.03.2010.
- 8) Rs.6,36,387/- appearing in Dividend Receivable Account under the head "Current Assets, Loans & Advances" represents amount of dividend declared by Nahar Industrial Enterprises Ltd on 29.09.2008 but not yet distributed pending vacation of stay granted by Debt Recovery Tribunal, Mumbai.
- 9) In Pursuant to Scheme of Amalgamation the company allotted 3350 Equity Shares of Rs. 100/- each in Nagdevi Trading and Investment Co Ltd in lieu of 1675 Equity Shares of Rs. 10/- in Ogden Trading and Investment Co Pvt Ltd.
- 10) Previous year figures have been re-grouped/re-arranged wherever considered necessary.
- 11) Schedule I to VIII form an integral part of the Balance Sheet and Profit and Loss Account and have been duly authenticated as such.
- 12) Additional information pursuant to the provisions of Para 3 & 4 of Part-II of Schedule-VI of the Companies Act, 1956;

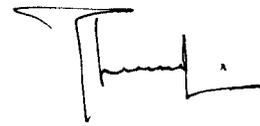
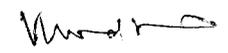
	<u>31.03.2010</u>	<u>31.03.2009</u>
a) C.I.F. Value of Imports	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL
c) Earning in Foreign Exchange	NIL	NIL

Subject to our report of even date

**for GUPTA VIGG & CO.**

**FOR KOVALAM INVESTMENT AND TRADING CO LTD**

CHARTERED ACCOUNTANTS



**(VINOD KHANNA)**

**(SAT PAUL NIJHAWAN)**

**(GAGNISH BHALLA)**

PARTNER

DIRECTOR

DIRECTOR

Membership No. 81585

FRN: 01393N

**PLACE : LUDHIANA**

**DATED : 31.07.2010**

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010**

	2009 - 2010	2008-2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extra Ordinary items	16,225,643	(26,979)
Adjustments for		
1 Depreciation and Non Cash Expenses	194,388	0
2 Profit on Sale of Fixed Assets	0	0
3 Profit/Loss on Sale of Investments	(1,234,448)	8,869,159
4 Dividend	(4,242,983)	(2,326,000)
5 Interest (Net)	(1,636,948)	(1,560,343)
Operating Profit before working capital changes :	9,305,652	4,955,837
Adjustments for		
1 Trade & Other Receivable	0	0
2 Inventories	0	0
3 Trade payables	(13,265)	(11,894)
4 Deffered payment expenses	0	0
Cash Generated from Operations	9,292,387	4,943,943
Taxes Paid	(2,154,300)	(7,483,922)
Interest Paid	0	0
Cash Flow before extra ordinary items	0	0
Prior period adjustments	0	0
Net cash from operating activities	7,138,087	(2,539,979)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(14,627,865)	0
Sale of Fixed Assets	0	0
Change in Loans and Advances	(21,491,541)	4,062,746
Purchase of Investments	(25,586,232)	(52,264,566)
Sale of Investments (Including Loss on sale of Investment)	48,694,607	45,470,042
Interest received	1,636,948	1,560,343
Dividend received	4,242,983	2,326,000
Net Cash used in Investing Activities	(7,131,100)	1,154,565
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Capital on amalgamation	0	0
Unsecured Loans	0	0
Working capital borrowing	0	0
Dividend Paid	0	0
Reserve on amalgamation	0	0
Net cash used in Financing Activities	0	0
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>6,987</b>	<b>(1,385,414)</b>
Cash and Cash Equivalents as at beginning of the year	1,105,428	2,490,842
Cash and Cash Equivalents as at close of the year	1,112,415	1,105,428

**NOTES :**

1) Figures in brackets represent cash out flows.

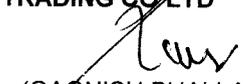
for and on behalf of the Board

**KOVALAM INVESTMENT & TRADING CO LTD**

Place : LUDHIANA

Dated : 31.07.2010

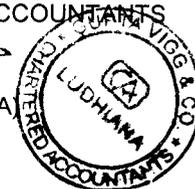
  
 (SAT PAUL NIJHAWAN)  
 DIRECTOR

  
 (GAGNISH BHALLA)  
 DIRECTOR
**AUDITORS REPORTS :**

We have verified the attached Cash Flow Statement of M/s KOVALAM INVESTMENT & TRADING CO LTD derived from the audited financial statements and the books and records maintained by the company for the year ended 31.03.2010 and found the same in agreement therewith.

Place : LUDHIANA

Dated : 31.07.2010

for GUPTA VIGG & CO.,  
CHARTERED ACCOUNTANTS
  
 (VINOD KHANNA)  
 PARTNER


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**KOVALAM INVESTMENT AND TRADING COMPANY LTD**

**REGD. OFFICE: PREMISES OSWAL WOOLLEN MILLS LTD, G.T. ROAD, SHERPUR, LUDHIANA**

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART-IV OF SCHEDULE-VI**

**OF THE COMPANIES ACT, 1956 AS ON 31.03.2010**

**Balance Sheet Abstract and Company's General Business Profile**

I	Registration Details	
	<b>Registration No./CIN - L65910PB1999PLC023058</b>	
	State Code:	16
	Balance Sheet Date	31.03.2010
II	Capital raised during the year (Amount in Rs. Thousands)	
	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
	Total Liabilities	140145
	Total Assets	140145
	<u>Sources of Funds</u>	
	Paid-Up Capital	17062
	Reserves & Surplus	123083
	Secured Loans	0
	Unsecured Loans	0
	<u>Application of Funds</u>	
	Net Fixed Assets	14433
	Investments	94828
	Net Current Assets	30148
	Deferred Tax Asset	736
	Misc. Expenditure	0
	Accumulated Losses	0
IV	Performance of Company(Amount in Rs. Thousands)	
	Turnover/Other Income	16919
	Total Expenditure	693
	Profit/Loss Before Tax	16226
	Profit/Loss After Tax	12492
	Earning per Share in Rs.(Basic & Diluted)	7.32
	Dividend Rate %	0
V	Generic Names of Three Principal Products/Services of the Company (As per Monetary Terms)	
	Item Code No. (ITC Code)	N.A.
	Production Description	INVESTMENT COMPANY