

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

BALANCE SHEET AS AT 31.03.2011

PARTICULARS	SCHEDULE	AMOUNT (RS.)	
		AS AT 31.03.2011	AS AT 31.03.2010
<u>SOURCES OF FUNDS</u>			
<u>Shareholder's Funds</u>			
Share Capital	I	17,062,100.00	17,062,100.00
Reserves & Surplus	II	135,159,919.97	123,082,980.25
TOTAL : -		<u>152,222,019.97</u>	<u>140,145,080.25</u>
<u>APPLICATION OF FUNDS</u>			
<u>Fixed Assets (At Cost)</u>			
Gross Block	III	14,627,865.00	14,627,865.00
Less: Depreciation		563,725.00	194,388.00
		14,064,140.00	14,433,477.00
Investments	IV	91,422,135.01	94,827,790.44
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
(Unsecured Considered Good)			
Current Assets	V	1,701,536.16	1,112,415.33
Loans & Advances	VI	48,886,886.80	32,818,438.48
TOTAL: A		<u>50,588,422.96</u>	<u>33,930,853.81</u>
LESS:			
<u>CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	VII	13,652.00	9,376.00
Provisions	VIII	4,459,610.00	3,773,361.00
TOTAL: B		<u>4,473,262.00</u>	<u>3,782,737.00</u>
NET CURRENT ASSETS (A - B)		46,115,160.96	30,148,116.81
Deferred Tax Asset (Net)		620,584.00	735,696.00
TOTAL: -		<u>152,222,019.97</u>	<u>140,145,080.25</u>

NOTES ON ACCOUNTS

"SUBJECT TO OUR SEPARATE
REPORT OF EVEN DATE"

FOR GUPTA VIGG & CO

Chartered Accountants

(VINOD KHANNA)

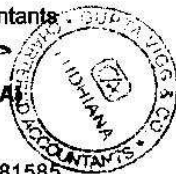
PARTNER

Membership No. 81585

FRN: 01393N

PLACE : LUDHIANA

DATED: 22.06.2011



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 31.03.2011

PARTICULARS	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
<u>INCOME</u>		
INTEREST (Tax Deducted at Sources Rs. 3,60,495/- Previous year Rs.1,63,695/-)	3,604,954.00	1,636,948.00
<u>DIVIDEND INCOME</u>		
On Trade Investments	560,390.50	588,863.50
On Other Investments	<u>2,071,235.20</u>	<u>3,654,119.97</u>
<u>BROKERAGE INCOME</u>		
(Tax Deducted at Sources Rs.68,836/- Previous Year - Rs.8,505/-)	10,334,699.95	9,502,580.67
<u>MISC. INCOME</u> (Tax Deducted at Sources Rs. NIL Previous Year Rs. 400/-)		
Long Term Capital Gain	0.00	18,132.37
Short Term Capital Gain	769,655.48	1,494,075.01
Income from Trading	1,006,919.90	
	16,698.41	24,500.89
	<u>18,364,553.44</u>	<u>16,919,220.41</u>
<u>EXPENDITURE</u>		
Long Term Capital Loss	1,035,714.39	0.00
Short Term Capital Loss	70,581.15	259,626.96
Printing & Stationery	2,308.00	1,750.00
Rate, Fee & Taxes	1,500.00	1,500.00
Bank Charges	18,427.28	974.00
Salary	66,000.00	66,000.00
Listing Fees	11,030.00	11,030.00
Postage & Telegram Charges	4,835.00	4,607.00
Legal & Professional	66,582.00	79,581.00
Electricity Expenses	9,400.00	5,380.00
Misc. Expenses	691.80	721.80
PMS Pool Expenses	0.00	993.00
S.T.T. Paid	31,988.05	56,917.37
S.T.T. (Trading)	98.05	290.30
Depreciation	369,337.00	194,388.00
<u>AUDITOR'S REMUNERATION</u>		
Audit Fee	8,824.00	7,170.00
Tax Audit Fee	2,758.00	2,206.00
Certification Charges	442.00	442.00
	<u>1,700,516.72</u>	<u>693,577.43</u>
PROFIT BEFORE TAX	16,664,036.72	16,225,642.98
Provision for Taxation	(4,459,610.00)	(3,773,361.00)
Income Tax Liabilities of Earlier Year	(12,375.00)	0.00
Deferred Tax Liability /Assets	(115,112.00)	40,112.00
PROFIT AFTER TAX	12,076,939.72	12,492,393.98
Balance B/F from Last Account	4,993,393.98	0.00
BALANCE AVAILABLE FOR APPROPRIATION	<u>17,070,333.70</u>	<u>12,492,393.98</u>
<u>APPROPRIATION</u>		
General Reserve	9,000,000.00	5,000,000.00
Statutory Reserve Fund	2,420,000.00	2,499,000.00
Balance carried over to Balance Sheet	5,650,333.70	4,993,393.98
	<u>17,070,333.70</u>	<u>12,492,393.98</u>
Earning Per Share (Value of Rs. 10/- Each) (Basic & Diluted)	7.08	7.32

Subject to our Separate report of even date
for **GUPTA VIGG & CO.**

CHARTERED ACCOUNTANTS

Vinod Khanna
(VINOD KHANNA)

PARTNER

Membership No. 81585

FRN: 01393N

PLACE : LUDHIANA

DATED : 22.06.2011



FOR KOVALAM INVESTMENT AND TRADING CO LTD

Sat Paul Nijhawan
(SAT PAUL NIJHAWAN)
DIRECTOR

Aganish Bhalla
(AGANISH 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 31.03.2011

PARTICULARS	AMOUNT (RS.)	
	AS AT 31.03.2011	AS AT 31.03.2010
<u>SCHEDULE-I</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised</u>		
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>
<u>ISSUED, SUBSCRIBED & PAID UP</u>		
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>
<u>SCHEDULE-II</u>		
<u>RESERVE & SURPLUS</u>		
<u>GENERAL RESERVE</u>		
Balance as per Last Account	93,354,586.27	88,354,586.27
Add: Transferred from P&L Appropriation	<u>9,000,000.00</u>	<u>5,000,000.00</u>
	102,354,586.27	93,354,586.27
<u>CAPITAL RESERVES</u>		
Balance as per Last Account	963,000.00	963,000.00
<u>STATUTORY RESERVE FUND</u>		
Balance as per Last Account	23,772,000.00	21,273,000.00
Add: Transferred from P&L Appropriation	<u>2,420,000.00</u>	<u>2,499,000.00</u>
	26,192,000.00	23,772,000.00
SURPLUS IN PROFIT & LOSS ACCOUNT	<u>5,650,333.70</u>	<u>4,993,393.98</u>
	<u>135,159,919.97</u>	<u>123,082,980.25</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 31-03-2011

(Amount in Rs.)

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 01.04.2010	ADDITIONS DURING THE YEAR	SALES/ADJT DURING THE YEAR	AS AT 31.03.2010	UPTO 31.03.2010	RATE 180 DAYS	MORE THAN 180 DAYS	LESS THAN 180 DAYS	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
LAND	10,740,104	0	0	10,740,104	0	0	0	0	0	10,740,104	10,740,104
BUILDING	3,887,761	0	0	3,887,761	194,388	10%	369,337	0	563,725	3,324,036	3,693,373
TOTAL:- PREVIOUS YEAR FIGURES	14,627,865	0	0	14,627,865	194,388		369,337	194,388	563,725	14,064,140	14,433,477
	0	14,627,865	0	14,627,865	0	10%	0	194,388	194,388	14,433,477	0

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS	AS AT		AS AT	
	31.03.2011		31.03.2010	
<u>SCHEDULE - IV</u>				
<u>INVESTMENTS (AT COST)</u>				
<u>LONG TERM INVESTMENTS</u>				
<u>TRADE</u>	<u>No. of Shares</u>	<u>Face Value</u>		
<u>QUOTED</u>		<u>(Rs.)</u>		
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	100 (600)	5.00	57,471.12	219,810.56
HB Portfolio Ltd	(18999)	10.00	0.00	1,356,731.46
<u>UNQUOTED</u>				
<u>Equity Shares Fully paid up</u>				
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	50,000.00
Palam Motels Limited	75	100.00	109,671.00	109,671.00
<u>OTHERS</u>				
<u>QUOTED</u>				
<u>Equity Shares Fully paid up</u>				
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	1500 (7586)	10.00	152,477.94	608,927.94
3I Infotech Ltd	1200	10.00	164,495.55	164,495.55
Amara Raja Batteries Ltd	(1000)	2.00	0.00	176,814.39

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS			AS AT	AS AT
			31.03.2011	31.03.2010
Agro Tech Foods Ltd	(1340)	10.00	0.00	337,214.17
Ankur Drug & Pharma Ltd	1000	10.00	145,604.94	0.00
Apar Industries Ltd	800	10.00	195,546.17	0.00
Asahi India Glass Ltd	3550	1.00	391,074.40	0.00
Bharat Forge Ltd	1000	2.00	365,156.15	365,156.15
Coal India Ltd	615	10.00	190,916.24	0.00
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
Godavari Power & ISP	2000	10.00	473,311.46	0.00
Grasim Industries Ltd	62	10.00	177,156.41	0.00
Hydro S & S Industries Ltd	350	10.00	14,840.16	
I.D.B.I. Bank Ltd	53520 (50000)	10.00	6,822,520.07	6,237,989.45
IVRCL Infrastructures and Projects Ltd	615 (1000)	2.00	105,990.57	80,955.13
I.F.C.I. Ltd	(4000)	10.00	0.00	226,962.17
IDFC Ltd	1020	10.00	181,224.21	0.00
IRB Infrastructure Developers Ltd	500	10.00	138,628.42	0.00
Jindal Saw Ltd	12500	2.00	1,748,947.85	1,748,947.85
Jaiprakash Associates Ltd	2500	2.00	329,483.36	
Jubilant Industries Ltd	50	10.00	0.00	0.00
Jubilant Life Sciences Ltd	1000	1.00	376,040.98	0.00
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	0.00	105,631.99
Noida Toll Bridge	28000 (25000)	10.00	1,429,275.79	1,323,725.67
Paper Product	1000	2.00	74,981.73	74,981.73
Prism Cement Ltd	1000	10.00	61,844.77	0.00
Reliance Industries Ltd	(324)	10.00	0.00	328,311.31

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS			AS AT	AS AT
			31.03.2011	31.03.2010
Reliance Power Ltd	(1000)	10.00	0.00	154,267.40
Swaraj Mazda Ltd	(2000)	10.00	0.00	692,572.41
Steel Authority of India Ltd	12000	10.00	2,161,977.57	2,161,977.57
Steel Strips Wheels Ltd	5000 (14500)	10.00	1,077,601.55	3,200,053.96
South Indian Bank	5000	1.00	136,824.23	0.00
Tata Motors Ltd	(200)	10.00	0.00	152,493.11
Tata Chemicals Ltd	(1000)	10.00	0.00	385,132.44
Tata Global Beverages Ltd	800	1.00	101,543.73	0.00
Temptation Foods Ltd	3000	10.00	105,762.35	0.00
Bartronics India Ltd	1000	10.00	155,152.59	155,152.59
NHPC Ltd	5000	10.00	167,396.67	167,396.67
SREI Infrastructure Finance Ltd	(4750)	10.00	0.00	349,876.81
Sundaram Fasteners Ltd	(5000)	1.00	0.00	262,810.20
Ultratech Cement Ltd	35	10.00	0.00	0.00
United Phosphorous Ltd	500	2.00	102,543.00	0.00
Venk's (India) Ltd	50	10.00	26,943.27	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>UNITS</u>				
Tata Balanced Fund - Growth	132675.563		9,976,592.02	9,976,592.02
			<u>91,422,135.01</u>	<u>94,827,790.44</u>
Aggregate value of Quoted Investments			90,523,920.01	93,929,575.44
Aggregate value of Unquoted Investments			898,215.00	898,215.00
Market Value of Quoted Investments			168,082,824.08	169,289,638.06

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS	AS AT	AS AT
	31.03.2011	31.03.2010
<u>SCHEDULE- V</u>		
<u>CURRENT ASSETS</u>		
<u>CASH & BANK BALANCES</u>		
Cash in Hand	32,471.57	1,156.57
<u>BALANCES WITH SCHEDULE BANKS</u>		
In Current Account		
Allahabad Bank, Ludhiana	1,668,851.93	1,064,643.82
Punjab National Bank, Ludhiana.	0.00	13,902.28
ICICI Bank Ltd	212.66	32,712.66
	<u>1,701,536.16</u>	<u>1,112,415.33</u>
<u>SCHEDULE-VI</u>		
<u>LOANS & ADVANCES</u>		
(Unsecured Considered good)		
<u>LOANS/DEPOSITS</u>		
Oswal Woollen Mills Limited	43,488,642.00	25,744,183.00
<u>ADVANCES</u>		
(Recoverable in cash or in kind or for value to be received)		
Stock Holding Corporation of India Ltd	3.44	70.44
Advance Income Tax & TDS	4,528,569.42	3,408,974.42
<u>OTHER</u>		
Master Capital Services Ltd	505.38	710,099.35
Brokerage Receivable	869,166.56	2,318,381.27
Dividend Receivable	0.00	636,730.00
	<u>48,886,886.80</u>	<u>32,818,438.48</u>
<u>SCHEDULE-VII</u>		
<u>CURRENT LIABILITIES</u>		
Audit Fee Payable	8,824.00	7,170.00
Tax Audit Fee Payable	2,758.00	2,206.00
Expenses Payable	2,070.00	0.00
	<u>13,652.00</u>	<u>9,376.00</u>
<u>SCHEDULE-VIII</u>		
<u>PROVISIONS</u>		
<u>Taxation</u>		
Income Tax	4,459,610.00	3,773,361.00
	<u>4,459,610.00</u>	<u>3,773,361.00</u>

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	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
External	80.30	71.57	103.35	95.03	183.65	166.60
Inter Segment	-	-	-	-	-	-
Total Revenue	80.30	71.57	103.35	95.03	183.65	166.60

RESULTS

Segment Result (Before Tax)	63.95	67.89	102.69	94.36	166.64	162.25
Unallocable Expenses	-	-	-	-	0.00	0.00
Income Tax-Current	-	-	-	-	(44.72)	(37.73)
Deffered Tax Asset	-	-	-	-	(1.15)	0.40
Profit from Ordinary Business	-	-	-	-	120.77	124.92

OTHER INFORMATION

Segment Assets	1,506.77	1,374.65	8.69	23.18	1,515.46	1,397.83
Unallocable Assets	-	-	-	-	51.49	41.44
Segment Liabilities	0.13	0.09	-	-	0.13	0.09
Unallocable Liabilities	-	-	-	-	44.60	37.73
Depriciation.	3.69	1.94	-	-	3.69	1.94
Non Cash Expenses	-	-	-	-	-	-

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 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.

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>31.03.2011</u>	<u>31.03.2010</u>
I) INTEREST RECEIVED ON INTER CORPORATE DEPOSITS PLACED(NET)	3,244,459.00	1,473,253.00
II) INTERCORPORATE DEPOSITS PLACED DURING THE YEAR	19,500,000.00	30,200,000.00
iii) INTERCORPORATE DEPOSITS REALISED	5,000,000.00	12,000,000.00
OUTSTANDING BALANCE DUE	43,488,642.00	25,744,183.00
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>31.03.2011</u>	<u>31.03.2010</u>
No of Equity Share (Rs.10/- each)	1706210	1706210
Profit/Loss after Tax	Rs. 12076939.72	12492393.98
Earning per Shares (Basic and Diluted)	Rs. 7.08	7.32

5) **DEFERRED TAX ASSETS/LIABILITY**

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

	<u>31.03.2011</u>	<u>31.03.2010</u>
Deferred Tax Assets		
Timing difference on account		
of Short Term Capital Loss	Rs. 620,584.00	735,696.00

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

(4) Break-up of Investments:

Current Investments:

1. Quoted:

(I) 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:

(I) 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
TOTAL(A=1+2)			NIL	NIL

Long Term investments:

1. Quoted

(I) Shares	(a) Equity	80547328	83952983
	(b) Preference	NIL	NIL
(ii) Debentures and Bonds		NIL	NIL
(iii) Units of Mutual Funds		9976592	9976592
(iv) Government Securities		NIL	NIL
(v) Others		NIL	NIL

2. Unquoted:

(I) 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
TOTAL (B=1+2)			91422135 94827790
GRAND TOTAL (A + B)			91422135 94827790

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		43488642			26380570	
2. Other than related parties		869675			3028894	
Total		44358317			29409464	

(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	136227239	49119913	134039488	49119913
2. Other than related parties	32753800	42302222	36148365	45707877
Total	168981039	91422135	170187853	94827790

(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.24,20,000/- (Previous Year Rs.24,99,000/-) 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 31.03.2011.
- 8) Previous year figures have been re-grouped/re-arranged wherever considered necessary.
- 9) Schedule I to VIII form an integral part of the Balance Sheet and Profit and Loss Account and have been duly authenticated as such.
- 10) Additional information pursuant to the provisions of Para 3 & 4 of Part-II of Schedule-VI of the Companies Act, 1956;

	<u>31.03.2011</u>	<u>31.03.2010</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.**

CHARTERED ACCOUNTANTS


(VINOD KHANNA)
PARTNER

Membership No. 81585

FRN: 01393N

PLACE : LUDHIANA

DATED : 22.06.2011

FOR KOVALAM INVESTMENT AND TRADING CO LTD


(SAT PAUL NIJHAWAN)
DIRECTOR


(GAGNISH BHALLA)
DIRECTOR

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 31.03.2011

Balance Sheet Abstract and Company's General Business Profile

I	Registration Details	
	Registration No./CIN - L65910PB1999PLC023058	
	State Code:	16
	Balance Sheet Date	31.03.2011
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	152222
	Total Assets	152222
	<u>Sources of Funds</u>	
	Paid-Up Capital	17062
	Reserves & Surplus	135160
	Secured Loans	0
	Unsecured Loans	0
	<u>Application of Funds</u>	
	Net Fixed Assets	14064
	Investments	91422
	Net Current Assets	46115
	Deferred Tax Asset	621
	Misc. Expenditure	0
	Accumulated Losses	0
IV	Performance of Company(Amount in Rs. Thousands)	
	Turnover/Other Income	18365
	Total Expenditure	1701
	Profit/Loss Before Tax	16664
	Profit/Loss After Tax	12077
	Earning per Share in Rs.(Basic & Diluted)	7.08
	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

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**

	2010 - 2011	2009 - 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra Ordinary items	16,664,037	16,225,643
Adjustments for		
1 Depreciation and Non Cash Expenses	369,337	194,388
2 Profit on Sale of Fixed Assets	0	0
3 Profit/Loss on Sale of Investments	(670,280)	(1,234,448)
4 Dividend	(2,631,626)	(4,242,983)
5 Interest (Net)	(3,604,954)	(1,636,948)
Operating Profit before working capital changes :	10,126,514	9,305,652
Adjustments for		
1 Trade & Other Receivable	0	0
2 Inventories	0	0
3 Trade payables	4,276	(13,265)
4 Deferred payment expenses	0	0
Cash Generated from Operations	10,130,790	9,292,387
Taxes Paid	(3,785,736)	(2,154,300)
Interest Paid	0	0
Cash Flow before extra ordinary items	0	0
Prior period adjustments	0	0
Net cash from operating activities	6,345,054	7,138,087
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0	(14,627,865)
Sale of Fixed Assets	0	0
Change in Loans and Advances	(16,068,448)	(21,491,541)
Purchase of Investments	(10,795,987)	(25,586,232)
Sale of Investments (Including Loss on sale of Investment)	14,871,922	48,694,607
Interest received	3,604,954	1,636,948
Dividend received	2,631,626	4,242,983
Net Cash used in Investing Activities	(5,755,933)	(7,131,100)
C. CASH FLOW FROM FINANCING ACTIVITIES		
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
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	589,121	6,987
Cash and Cash Equivalents as at beginning of the year	1,112,415	1,105,428
Cash and Cash Equivalents as at close of the year	1,701,536	1,112,415

NOTES :

1) Figures in brackets represent cash out flows.

for and on behalf of the Board

KOVALAM INVESTMENT & TRADING CO LTD

Place : LUDHIANA

Dated : 22.06.2011

(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.

for **GUPTA VIGG & CO.,**
CHARTERED ACCOUNTANTS

Place : LUDHIANA

Dated : 22.06.2011

VINOD KHANNAL
PARTNER