



KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

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

CIN : L65910PB1PLC023058
Email: kovalam@owmnahar.com

FORM 'A'

Covering letter of the Annual Audit Report to be filed with Stock Exchange:

| | | |
|--|--|--|
| 1. | Name of the Company | Kovalam Investment and Trading Co. Ltd |
| 2. | Annual Financial Statements for the year ended | 31 st March 2015 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Repetitive |
| 5. | To be signed by | |
| <ul style="list-style-type: none">● Director | | For Kovalam Investment and Trading Co. Ltd  Navdeep Sharma Director |
| <ul style="list-style-type: none">● Auditor of the Company | | For Gupta Vigg & Co. Chartered Accountants FRN:00139N  Vinod Khanna Partner Membership No.81585 |

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

33rd

Annual
Report

2014-15

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

33rd ANNUAL GENERAL MEETING

Day : Wednesday

Date : 30th September, 2015

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 33rd Annual General Meeting of the members of Kovalam investment & Trading Company Limited will be held at Regd. Office of the Company on Wednesday the 30th day of September 2015 at 4:00 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2015, the profit and loss account for the financial year ended on that date and the reports of directors and auditors thereon.
2. To appoint Auditors of the Company for the financial year 2015-16 and fix their remuneration and to pass ,with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s.Gupta Vigg & Co., Chartered Accountants, (Firm Registration No. 001393N), the retiring auditors be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company at such remuneration and other expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

3. **To Re-designate Sh Navdeep Sharma (DIN: 00454285) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Sh. Navdeep Sharma (DIN : 00454285) who was redesignated as an Independent director w.e.f 15.03.2015 and who holds the office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby redesignated as an Independent Director of the Company, not liable to retire by rotation, and to hold office for three

consecutive years for a term up to the conclusion of the Annual General Meeting in the calendar year 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution.

4. **To Redesignate Sh Gagnish Kumar Bhalla (DIN: 00468806) as an Independent Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Sh. Gagnish Kumar Bhalla (DIN : 00468806) who was re designated as an Independent director w.e.f 15.03.2015 and who holds the office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby redesignated as an Independent Director of the Company, not liable to retire by rotation, and to hold office for three consecutive years for a term up to the conclusion of the Annual General Meeting in the calendar year 2018."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution

5. **To appoint Ms Ruchika Oswal (DIN: 00565979) as a Non Executive Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms Ruchika Oswal (DIN: 00565979), who was appointed as an Additional Director of the Company w.e.f. 27.03.2015 and who holds such office up to the date of this Annual General Meeting and in respect of whom the company has

received a notice under the Companies Act, 2013 be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution.

6. **To appoint Mr Pawan Kumar Sharma (DIN: 07163131) as Director of the Company** and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr Pawan Kumar Sharma (DIN: 07163131), who was appointed as an Additional Director of the Company w.e.f. 11.05.2015 and who holds such office up to the date of this Annual General Meeting and in respect of whom the company has received a notice under the Companies Act, 2013 be and is hereby appointed as a Director of the Company, liable to retire by rotation

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid resolution.

For and on behalf of the Board

Sd/-

Palce: Ludhiana
Date : 03.09.2015

Navdeep Sharma
Chairman

(DIN No.0454285)

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. 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 statement pursuant to Section 102(1) of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this notice.

5. 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

6. The register of members and share transfer books of the company shall remain closed from 25th September 2015 to 28th September 2015 (both days inclusive) for AGM purpose.

7. 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 A M to 1.00 P M upto the date of annual general meeting.

8. Electronic copy of the Annual Report for the year 2014-15 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.

9. Members are requested to bring their attendance slip alongwith their copy of Annual Report to the meeting.
10. 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.
11. 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.
12. 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.
13. In compliance with provision of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act 2013 read with 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 electrically.
14. Notice of the 33rd Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on he Company's website i.e. www.owmnaahar.com. The above said Notice will also be available on the website of CDSL i.e. www.cdslindia.com.
15. 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.
16. 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.
17. Members are requested to notify the change in their address, if any, to the company at the earliest.

18. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27.09.2015 from 9.00 AM and ends on 29.09.2015 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 24.09.2015, 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 at the meeting venue.
- (iii) The shareholders should log on to the e-voting website 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 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 | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the 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 • 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 |
| Dividend Bank Details OR Date of Birth (DOB) | 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. <ul style="list-style-type: none"> 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). |

- (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 changed 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) 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 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.
 - 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 should be mailed to 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.
- (i) 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.24.09.2015 may follow the same instructions as mentioned above for e-Voting.

- (ii) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item Nos. 3

Navdeep Sharma (DIN: 00454285) who was a director retiring by rotation was re-designated as an Independent Director in the Board of Directors meeting held on 15.03.2015. Now his period of office is not liable to retirement by rotation under the provisions of Companies Act, 2013.. In compliance of the provisions of section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors has recommended the appointment of Sh Navdeep Sharma (DIN: 00454285) as an Independent Director for a period of 3 years commencing from this Annual General Meeting up to the conclusion of Annual General Meeting to be held in the calendar year 2018. A notice has been received from a member proposing his candidature for the office of Independent Director. **Sh Navdeep Sharma** is not disqualified in terms of Section 164 of the Act and has given his consent. **Sh Navdeep Sharma** has given a declaration to the Board that he meets the criteria of independence as provided under section 149 of the Act. He fulfils the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, His appointment as Independent Director is now placed before the Members for their approval.

Copy of the draft letter for appointment of Navdeep Sharma (DIN: 00454285) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the company.. The Board recommends the Ordinary Resolution set out at Item No 3 of. the Notice for approval by the shareholders.

Sh Navdeep Sharma, is interested in the resolution set out at Item No 3 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 4

Sh Gagnish Kumar Bhalla (DIN: 00468806) who was a director retiring by rotation was re-designated as an Independent Director in the Board of Directors meeting held on 15.03.2015. Now his period of office is not liable to retirement by rotation under the provisions of Companies Act, 2013.. In compliance of the provisions of section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors has recommended the appointment of Sh Gagnish Kumar Bhalla (DIN: 00468806) as an Independent Director for a period of 3 years commencing from this Annual General Meeting up to the conclusion of Annual General Meeting to be held in the calendar year 2018. A notice has been received from a member proposing his candidature for the office of Independent Director. Sh Gagnish Kumar Bhalla is not disqualified in terms of Section 164 of the Act and has given his consent. Sh Gagnish Kumar Bhalla has given a declaration to the Board that he meets the criteria of independence as provided under section 149 of the Act. He fulfils the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, His appointment as Independent Director is now placed before the Members for their approval.

Copy of the draft letter for appointment of Sh Gagnish Kumar Bhalla (DIN: 00468806) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the company.. The Board recommends the Ordinary Resolution set out at Item No 4 of the Notice for approval by the shareholders.

Sh Gagnish Kumar Bhalla is interested in the resolution set out at Item No 4 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 5

Ms Ruchika Oswal (DIN: 00565979) was appointed an Additional Director (women Director) of the Company on 27.03.2015 to hold office up to the next Annual General Meeting of the Company. The company has also received a notice under Companies Act, 2013 from a member of the Company along with requisite deposit signifying his intention to

propose the appointment of Ms Ruchika Oswal (DIN: 00565979). The company has also received consent from her under the Companies Act, 2013 to act as a Director of the Company, if appointed.

The Board recommends the Ordinary Resolution set out at Item No. 5. of the Notice for approval by the shareholders.

Ms Ruchika Oswal (DIN: 00565979) is interested in the resolution set out at Item No 5. of the Notice with regard to her appointment. The relatives of Ms Ruchika Oswal may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 6

Mr Pawan Kumar Sharma (DIN: 07163131) was appointed an Additional Director of the Company on 11.05.2015 to hold office up to the next Annual

General Meeting of the Company. The company has also received a notice under Companies Act, 2013 from a member of the Company along with requisite deposit signifying his intention to propose the appointment of Mr Pawan Kumar Sharma (DIN: 07163131). The company has also received consent from her under the Companies Act, 2013 to act as a Director of the Company, if appointed.

The Board recommends the Ordinary Resolution set out at Item No. 6. of the Notice for approval by the shareholders.

Mr Pawan Kumar Sharma (DIN: 07163131) is interested in the resolution set out at Item No 6. of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution

For and on behalf of the Board
Sd/-

Palce: Ludhiana
Date : 03.09.2015

Navdeep Sharma
Chairman
(DIN No.0454285)

DIRECTOR'S REPORT

To the members

Your directors present the 33rd Annual Report together with the audited accounts of the company for the year ended 31st March 2015.

WORKING RESULTS

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

(Amount in Rupees)

| | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|---|--------------------------|--------------------------|
| Gross Income | 35722927 | 29648846 |
| Profit before tax | 32427369 | 27604508 |
| Less : Provision for income tax | (10538000) | (6820156) |
| Deferred Tax Liability / Assets | ----- | 126560 |
| Profit after Tax for the year | 21889369 | 20910912 |
| Add : Balance B/F from previous year | 21373953 | 4642392 |
| Available for appropriation | 43263322 | 25553304 |
| Income tax adjustments for prior periods | (35910) | 3649 |
| Transferred to Reserve Fund | (4378000) | (4183000) |
| Transferred to general reserve | 0 | 0 |
| Balance carried forward | 38849412 | 21373953 |

OPERATIONS

During the year under review the company's funds remained invested in Shares, Loans and Advances. The dividend income earned was Rs.31,09,861/- (previous year 31,92,083/-). The interest income earned was Rs.97,65,532 /- (previous years Rs. 67,65,806/-). During the year the company also earned brokerage income of Rs 2,28,22,533/- (net of service tax) on mobilization of funds of third parties (previous year 1,49,23,530/-).

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 31st March, 2015 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

During the year Sh Navdeep Sharma (DIN No.0454285) and Sh Gagnish Kumar Bhalla (DIN: 00468806) , Directors of the company who were liable for retirement by rotation , were Re-designated as Independent Directors in the Board Of Directors meeting on 15.03.2015 subject to the approval of the shareholders ,as per the requirement of Companies Act,2013.

Ms. Ruchika Oswal (DIN: 00565979) was appointed on 27.03.2015 as an Additional Director (women Director) as per the requirement of companies Act , 2013. Her Appointment is subject to the approval of the shareholders and if appointed shall be liable to retire by rotation.

Further, Sh. Sat Paul Nijhawan director of the resigned from the post of directorship on 11.05.2015 and Sh Pawan Kumar Sharma was appointed as additional director of the company subject to the approval of the shareholders in the ensuing Annual General Meeting and if appointed shall be liable to retire by rotation.

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 Meeting of the Board

During the year nine meetings of the board were convened and held on 29.04.2014, 30.05.2014, 11.08.2014, 01.09.2014, 12.09.2014, 10.11.2014, 09.02.2015, 16.03.2015, 27.03.2015. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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. This policy on board evaluation is stated in Corporate Governance Report forming an integral part of the director's report.

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 31.03.2015.

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 31st March, 2015, 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 31st March, 2015 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 & 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.

ASSOCIATE COMPANIES

The company does not have any Associate company as per section 2(6) of the Companies Act ,2013.

AUDITORS & AUDITOR'S REPORT

M/s. Gupta Vigg & Co. Chartered Accountant, Ludhiana being eligible offers themselves as auditors of the Company for re-appointment. The Board of Directors has proposed the appointment of M/s. Gupta Vigg & Co, as the Statutory Auditors of the Company for a period of one year to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

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 re-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.

The Auditor's Report on the Accounts of the Company for the year under review is self explanatory and requires no comments. Further there are no adverse remarks or qualification in the Report that calls for Board's explanation.

KEY MANAGERIAL PERSONNEL

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

PARTICULARS OF EMPLOYEEES

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 2015-2016 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 : 03.09.2015

**Sd/-
Navdeep Sharma
Chairman
(DIN No.0454285)**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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

Premises Oswal Woollen Mills Limited

G T Road, Sherpur, Ludhiana

(CIN: L65910PB1981PLC023058)

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 31st March, 2015 (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 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 thereunder were not attracted during the audit period as there was no 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company did not issue 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 did not issue 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 did 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 issued by The Institute of Company Secretaries of India (Not Applicable for the Audit period)
- (ii) The Listing Agreement entered into by the Company with stock exchange (BSE Ltd.);
(Clause 49 of the Listing Agreement is not applicable to the Company as the paid up 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 any key managerial personnel (KMP) as required under the provisions of Section 203 of the companies Act 2013.
2. The Company had not provided e-voting facility at its Annual General Meeting (AGM) held on 30-09-2014 under the audit period as the Management of the Company holds a view that the company was not required to provide e-voting facility in view of General Circular no. 20/2014 dated 17th June, 2014 of Ministry of Corporate Affairs and Circular No. DCS/COMP/04/2014-15 dated 18th June, 2014 of BSE Ltd. and as the number of members of the company are much less than that of 1000 shareholders.
3. The Company has appointed Internal Auditor by way of Board Resolution dated 16.03.2015.

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 for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting members' views wherever applicable 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 : 03.09.2015

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. Where ever 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 : 03.09.2015
Place: Ludhiana

ANNEXURE TO THE DIRECTORS' REPORT

Annexure 2

Form MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

[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 | | | | | |
| RegistrationDate | | | | | 28.11.1981 | | | | | |
| Name of the Company | | | | | KOVALAM INVESTMENT AND TRADING COMPANY | | | | | |
| Category/Sub-CategoryoftheCompany | | | | | COMPANT HAVING SHARE CAPITAL | | | | | |
| AddressoftheRegisteredofficeandcontactdetails | | | | | PREMISES OSWAL WOOLLEN MILLS LTD, G.T ROAD , SHERPUR , LUDHIANA.141003. PUNJAB. PHONE: 0161 5066602, FAX : 0161 5066605 E MAIL : KOVALAM@OWMNAHAR.COM | | | | | |
| Whether listed company | | | | | YES | | | | | |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | | | | | INHOUSE SHARE TRANSFER WORK AT THE REGISTERED OFFICE OF THE COMPANY | | | | | |
| 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 | |
| ----- N I L----- | | | | | | | | | | |
| 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, 2014) | | | | No. of shares held at the end of the year (March 31, 2015) | | | | % change during the year | |
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian : | | | | | | | | | | |
| 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 |
| (2) Foreign : | | | | | | | | | |
| 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. Public Shareholding | | | | | | | | | |
| (1) Institutions : | | | | | | | | | |
| 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) FII's | 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 |
| (2) Non-Institutions : | | | | | | | | | |
| 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 uptoRs. 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 |
| Sub-Total (B)(2) | 0 | 556924 | 556924 | 25.04 | 0 | 556924 | 556924 | 25.04 | 0 |
| Total Public Shareholding (B)= (B) (1)+ (B) (2) | 0 | 556924 | 556924 | 25.04 | 0 | 556924 | 556924 | 25.04 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 2223914 | 2223914 | 100 | 0 | 2223914 | 2223914 | 100 | 0 |

| ii) Shareholding of Promoters: | | | | | | | |
|---|---|----------------------------------|--|--|----------------------------------|--|---|
| Shareholders Name | Shareholding at the beginning of the year (April 1, 2014) | | | Shareholding at the end of the year (March 31, 2015) | | | % 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 |
| VANAİK 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 FINAANCIERS LTD | 15000 | 0.67 | 0 | 15000 | 0.67 | 0 | 0 |
| VARDHMAN INVESTMENT 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 |
| LUDHIANA HOLDINGS LTD | 87000 | 3.91 | 0 | 0 | 0 | 0 | In view of amalgamation of Ludhiana Holdings Ltd with Oswal Woollen Mills Ltd |
| OSWAL WOOLLEN MILLS LTD | 0 | 0 | 0 | 87000 | 3.91 | 0 | In view of amalgamation of Ludhiana Holdings Ltd with Oswal Woollen Mills Ltd |
| 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 , except transmission of 87000 equity shares from the name of Ludhiana holding Ltd to Oswal Woollen Mills Ltd (both under promoter group) in view of amalgamation of Ludhiana holding Ltd with Oswal Woollen Mills Ltd | | | | | | | |
| 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 |
| JAGDISG 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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| 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 |
| Change in Indebtedness during the year | | | | |
| Addition | NIL | NIL | NIL | NIL |
| Reduction | NIL | NIL | NIL | NIL |
| Net Change | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year | | | | |
| 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 | No remuneration except sitting fees was paid to Directors who are not Executive Directors. Executive Directors are paid as per the limit approved by the Central Government. -----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 | 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 | | |

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

[Phones: 0161-2532297, 2535156]

INDEPENDENT AUDITOR'S REPORT

To the Members of Kovalam Investment And Trading Company Limited

Report on the standalone Financial Statements.

Report on the Financial Statements

We have audited the accompanying standalone financial statements of M/s. Kovalam Investment And Trading Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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 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 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 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 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 controls 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purpose of our audit;
 - b. in our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such 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 written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act,.
 - f. 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, if any, on its financial position in its financial statements.
 - (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place: Ludhiana
Dated: 29.05.2015

Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of even date)

- (i) The company does not have any fixed assets.
- (ii) The company does not have any inventories.
- (iii) a) The company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act.
 - b) The receipt of principal amount & interest are regular and there is no overdue amount.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

- (v) According to the information and explanations given to us, the company has not accepted deposits from public during the year covered under the provisions of section 73 or 76 any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been prescribed u/s 148 of the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us and records of the Company examined by us, the company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable. According to the information and explanation given to us, no order under its aforesaid sections has been passed by the company law board or the Reserve Bank of India or any Court or any other Tribunal on the company.
- (b) According to the information & records of the company, there are no disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities in respect of sales tax, duty of custom , service tax, duty of excise, value added tax and income tax.
- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) In our opinion and according to the information and explanations given to us, the company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
- (x) In accordance with the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the company has not taken any term loan during the year.
- (xii) Further on the basis of information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the course or our audit.

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

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

Place: Ludhiana
Dated: 29.05.2015

BALANCE SHEET AS AT 31.03.2015

| PARTICULARS | Refer Note No | Amount (Rs.) | |
|--------------------------------------|------------------|-----------------------|-----------------------|
| | | AS AT 31.03.2015 | AS AT 31.03.2014 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>Shareholders' Funds</u> | | | |
| Share Capital | 1 | 22,239,140.00 | 22,239,140.00 |
| Reserves and Surplus | 2 | <u>196,494,372.48</u> | <u>174,640,913.60</u> |
| | | <u>218,733,512.48</u> | <u>196,880,053.60</u> |
| <u>Current Liabilities</u> | | | |
| Other Current Liabilities | 3 | 4,704,461.00 | 21,348.00 |
| Short Term Provisions | 4 | <u>10,779,500.00</u> | <u>7,029,256.00</u> |
| | | <u>15,483,961.00</u> | <u>7,050,604.00</u> |
| Total Equity and Liabilities | | <u>234,217,473.48</u> | <u>203,930,657.60</u> |
| <u>ASSETS</u> | | | |
| Non Current Investments | 5 | 112,575,165.84 | 109,707,279.97 |
| Deferred Tax Asset (Net) | 6 | <u>792,838.00</u> | <u>792,838.00</u> |
| | | <u>113,368,003.84</u> | <u>110,500,117.97</u> |
| <u>Curent Assets</u> | | | |
| Cash and Cash Equivalents | 7 | 6,133,489.52 | 517,710.94 |
| Short Term Loans and Advances | 8 | 96,600,000.00 | 83,402,460.00 |
| Other Current Assets | 9 | <u>18,115,980.12</u> | <u>9,510,368.69</u> |
| | | <u>120,849,469.64</u> | <u>93,430,539.63</u> |
| Total Assets | | <u>234,217,473.48</u> | <u>203,930,657.60</u> |

Significant Accounting Policies Notes on
Financial Statements

1 To 23

As per our Report of even date annexed

FOR GUPTA VIGG & COMPANY

FRN - 001393N

FOR KOVALAM INVESTMENT AND TRADING CO LTD

Sd/-

(VINOD KUMAR KHANNA)

Partner

M.No. 81585

Sd/-

(NAVDEEP SHARMA)

DIRECTOR

Sd/-

(GAGNISH BHALLA)

DIRECTOR

Place: Ludhiana

Dated: 29.05.2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

| | 2014 - 2015 | 2013 - 2014 |
|--|--------------------|--------------------|
| A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u> | | |
| Net Profit Before Tax & Extra Ordinary items | 32,427,369 | 27,604,508 |
| Adjustments for | | |
| 1 Depreciation and Non Cash Expenses | 1,800,000 | 200,000 |
| 2 Provision for Standard Asset Written Back | 32,400 | 76,500 |
| 3 Profit/Loss on Sale of Investments | 901,850 | (4,124,189) |
| 4 Dividend | (3,109,862) | (3,192,084) |
| 5 Interest (Net) | (9,765,532) | (6,765,806) |
| Operating Profit before working capital changes : | 22,286,225 | 13,798,930 |
| Adjustments for | | |
| 1 Trade & Other Receivable | (6,023,625) | 196,013 |
| 2 Inventories | 0 | 0 |
| 3 Trade payables | 4,683,113 | (6,277) |
| 4 Deffered payment expenses | | |
| Cash Generated from Operations | 20,945,713 | 13,988,666 |
| Taxes Paid | (9,438,053) | (8,423,119) |
| Net cash from operating activities | 11,507,660 | 5,565,547 |
| B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u> | | |
| Change in Loans and Advances | (14,997,540) | (30,589,225) |
| Purchase of Investments | (6,107,465) | (3,454,399) |
| Sale of Investments (Including Profit on sale of Investment) | 2,337,730 | 18,394,561 |
| Interest received | 9,765,532 | 6,765,806 |
| Dividend received | 3,109,862 | 3,192,084 |
| Net Cash used in Investing Activities | (5,891,881) | (5,691,173) |
| C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u> | | |
| Net cash used in Financing Activities | | |
| NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) | 5,615,779 | (125,626) |
| Cash and Cash Equivalents as at beginning of the year | 517,711 | 643,337 |
| Cash and Cash Equivalents as at close of the year | 6,133,490 | 517,711 |

NOTES :

1) Figures in brackets represent cash out flows.

for and on behalf of the Board

KOVALAM INVESTMENT & TRADING CO LTD

Sd/-

Sd/-

Place : LUDHIANA

(NAVDEEP SHARMA)

(GAGNISH BHALLA)

Dated : 29.05.2015

DIRECTOR**DIRECTOR****AUDITORS REPORTS :**

We have verified the attached Cash Flow Statement of M/s KOVALAM INVESTMENT AND TRADING CO LTD derived from the audited financial statements and the books and records maintained by the company for the year ended 31.03.2015 and found the same in agreement therewith.

for GUPTA VIGG & CO.,
CHARTERED ACCOUNTANTS
 FRN - 001393N

Sd/-

(VINOD KUMAR KHANNA)

PARTNER

M.No. 81585

Place : LUDHIANA

Dated : 29.05.2015

Note: 1.1 SHARE CAPITAL

| PARTICULARS | AS AT 31.03.2015 | | AS AT 31.03.2014 | |
|--|------------------|----------------------|------------------|----------------------|
| | Number | Rs. | Number | Rs. |
| <u>Authorised</u> | | | | |
| Equity Shares of Rs.10/- each | 3000000 | 30,000,000.00 | 2000000 | 20,000,000.00 |
| | <u>3000000</u> | <u>30,000,000.00</u> | <u>2000000</u> | <u>20,000,000.00</u> |
| <u>Issued, Subscribed & Paid up</u> | | | | |
| Equity Shares of Rs.10/- each fully paid up | 2223914 | 22,239,140.00 | 2223914 | 22,239,140.00 |
| | <u>2223914</u> | <u>22,239,140.00</u> | <u>2223914</u> | <u>22,239,140.00</u> |

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 | 1706210 | 17,062,100.00 |
| Share issued during the year | Nil | 0.00 | 517704 | 5,177,040.00 |
| Shares outstanding at the end of the year | <u>2223914</u> | <u>22,239,140.00</u> | <u>2223914</u> | <u>22,239,140.00</u> |

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 31 March 2015 | | As at 31 March 2014 | |
|--|---------------------|--------------|---------------------|--------------|
| | 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 |

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---|------------------------------|------------------------------|
| <u>Note: 2 Reserves & Surplus</u> | | |
| <u>General Reserves</u> | | |
| Opening Balance | 118,140,960.00 | 122,355,000.00 |
| (-) Utilised for issue of Bonus Shares | <u>0.00</u> | <u>(4,214,040.00)</u> |
| Closing Balance (A) | <u><u>118,140,960.00</u></u> | <u><u>118,140,960.00</u></u> |
| <u>Capital Reserves</u> | | |
| Opening Balance | 0.00 | 963,000.00 |
| (-) Utilised for issue of Bonus Shares | <u>0.00</u> | <u>(963,000.00)</u> |
| Closing Balance (B) | <u><u>0.00</u></u> | <u><u>0.00</u></u> |
| <u>Statutory Reserves Fund</u> | | |
| Opening Balance | 35,126,000.00 | 30,943,000.00 |
| (+) Current Year Transfer | <u>4,378,000.00</u> | <u>4,183,000.00</u> |
| Closing Balance (C) | <u><u>39,504,000.00</u></u> | <u><u>35,126,000.00</u></u> |
| <u>Surplus</u> | | |
| Opening Balance | 21,373,953.60 | 4,642,392.42 |
| (+) Profit for the Year | 21,889,368.88 | 20,910,912.18 |
| Income Tax Adjustments for prior periods | (35,910.00) | 3,649.00 |
| (-) Statutory Reserve Fund | <u>(4,378,000.00)</u> | <u>(4,183,000.00)</u> |
| Closing Balance (D) | <u><u>38,849,412.48</u></u> | <u><u>21,373,953.60</u></u> |
| TOTAL :- (A + B + C + D) | <u><u>196,494,372.48</u></u> | <u><u>174,640,913.60</u></u> |
| <u>Note: 3 Other Current Liabilities</u> | | |
| Cheques Issued but not Presented for Payment | 4,677,495.00 | 0.00 |
| Raj Gupta & Co | 5,618.00 | 0.00 |
| Statutory Audit Fee Payable | 16,854.00 | 16,854.00 |
| Tax Audit Fee Payable | <u>4,494.00</u> | <u>4,494.00</u> |
| | <u><u>4,704,461.00</u></u> | <u><u>21,348.00</u></u> |
| <u>Note: 4 Short term Provisions</u> | | |
| Provision for Standard Asset | 241,500.00 | 209,100.00 |
| Provision for Income Tax | <u>10,538,000.00</u> | <u>6,820,156.00</u> |
| | <u><u>10,779,500.00</u></u> | <u><u>7,029,256.00</u></u> |

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---|------------------------------|------------------------------|
| <u>NOTE: 5 NON CURRENT INVESTMENTS</u> | | |
| <u>Trade Investments (Refer A below)</u> | | |
| Investment in Equity Instruments | 11,154,401.42 | 11,154,503.42 |
| (A) | <u>11,154,401.42</u> | <u>11,154,503.42</u> |
| <u>Other Investments (Refer B below)</u> | | |
| Investment in Equity Instruments | 101,415,764.42 | 98,547,776.55 |
| Investment in Preference Shares | 5,000.00 | 5,000.00 |
| (B) | <u>101,420,764.42</u> | <u>98,552,776.55</u> |
| TOTAL :- (A + B) | <u><u>112,575,165.84</u></u> | <u><u>109,707,279.97</u></u> |

Aggregate amount of quoted investments (Market value of quoted investment Rs. 15,95,51,909-85

| | | |
|--|----------------|----------------|
| Previous Rs. 17,24,80,421.43) | 107,176,950.84 | 104,309,064.97 |
| Aggregate amount of unquoted investments | 5,398,215.00 | 5,398,215.00 |

Note: 5.1

Note: The Market Value of quoted investments is based on the price prevailing in the market as on 31st March, 2015.

Note No. 6 DEFERRED TAX ASSETS

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

Deferred Tax Assets

| | | |
|--|--------------------------|--------------------------|
| Opening Balance | 792,838.00 | 666,278.00 |
| Timing difference on account of Short Term Capital Loss/Gain | 0.00 | 126,560.00 |
| Rs. | <u><u>792,838.00</u></u> | <u><u>792,838.00</u></u> |

Note: 7 Cash and Cash Equivalents

a) Balances with Banks

In Current Account

| | | |
|--------------------------|----------------------------|--------------------------|
| Allahabad Bank, Ludhiana | 5,746,648.04 | 455,637.83 |
| ICICI Bank Ltd, Ludhiana | 30,108.54 | 20,108.54 |
| b) Cash in Hand | 27,651.07 | 41,964.57 |
| c) Cheques in Hand | 329081.87 | 0.00 |
| | <u><u>6,133,489.52</u></u> | <u><u>517,710.94</u></u> |

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---|-----------------------------|-----------------------------|
| <u>Note: 8 Short Term Loans and Advances</u> | | |
| <u>Unsecured, considered good</u> | | |
| Oswal Woollen Mills Ltd | 96,600,000.00 | 81,602,460.00 |
| <u>Unsecured, considered Doubtful</u> | | |
| GJM Associate & Consultant LLP | <u>2,000,000.00</u> | <u>2,000,000.00</u> |
| | 98,600,000.00 | 83,602,460.00 |
| Less: Provision for Doubtful Debts | <u>(2,000,000.00)</u> | <u>(200,000.00)</u> |
| | <u><u>96,600,000.00</u></u> | <u><u>83,402,460.00</u></u> |
| <u>Note: 9 Other Current Assets</u> | | |
| Advance Income Tax & TDS | 9,438,053.00 | 8,366,466.00 |
| Income Tax Refund Receivable | 1,510,400.00 | 0.00 |
| Share Application Money (Paid) | 4,500,000.00 | 0.00 |
| Oswal Woollen Mills Ltd - C/A | 2,294,872.00 | 0.00 |
| Brokerage Receivable | <u>372,655.12</u> | <u>1,143,902.69</u> |
| | <u><u>18,115,980.12</u></u> | <u><u>9,510,368.69</u></u> |
| <u>Note: 10 Other Operating Income</u> | | |
| Interest Income | 9,765,532.00 | 6,765,806.00 |
| <u>Dividend Income</u> | | |
| On Trade Investment - Associates | 557,290.50 | 557,290.50 |
| On Trade Investment - Others | 0.00 | 211,250.00 |
| On Other Investment - Associates | 2,450,831.00 | 2,308,513.00 |
| On Other Investment - Others | 101,740.00 | 115,030.00 |
| Profit on Sale of Assets | <u>0.00</u> | <u>4,767,427.00</u> |
| | <u><u>12,875,393.50</u></u> | <u><u>14,725,316.50</u></u> |
| <u>Note: 11 Other Income</u> | | |
| Misc. Income | <u>25,000.00</u> | <u>0.00</u> |
| | <u><u>25,000.00</u></u> | <u><u>0.00</u></u> |
| <u>Note: 12 Employee Benefit Expenses</u> | | |
| Salary Paid | <u>120,000.00</u> | <u>120,000.00</u> |
| | <u><u>120,000.00</u></u> | <u><u>120,000.00</u></u> |

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---------------------------------------|-----------------------------|-----------------------------|
| <u>Note: 13 Other Expenses</u> | | |
| Loss on Sale of Shares | 901,849.56 | 643,238.34 |
| Printing & Stationery | 11,960.00 | 6,976.00 |
| Rate, Fee & Taxes | 10,800.00 | 203,500.00 |
| Bank Charges | 752.00 | 2,776.00 |
| Listing Fees | 112,360.00 | 16,854.00 |
| Postage & Telegram Charges | 10,300.00 | 6,235.00 |
| Legal & Professional | 92,542.00 | 95,541.00 |
| Misc. Expenses | 2,753.61 | 2,476.06 |
| Rent Paid | 161,799.00 | 161,799.00 |
| S.T.T. Paid | 8,426.00 | 3,637.00 |
| AGM/EGM Expenses | 2,200.00 | 2,000.00 |
| Share Issue Expenses | 0.00 | 480,558.00 |
| Provision for Standard Asset | 32,400.00 | 76,500.00 |
| Provision for Doubtful Debt | 1,800,000.00 | 200,000.00 |
| <u>AUDITOR'S REMUNERATION</u> | | |
| Internal Audit Fee | 5,618.00 | 0.00 |
| Statutory Audit Fee | 16,854.00 | 16,854.00 |
| Tax Audit Fee | 4,494.00 | 4,494.00 |
| Certification Charges | 450.00 | 900.00 |
| | <u>3,175,558.17</u> | <u>1,924,338.40</u> |

Note No. 14**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****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) 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.

d) 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.

e) 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.

Note No. 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 | |
| | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| External | 129.00 | 147.25 | 228.23 | 149.24 | 357.23 | 296.49 |
| Inter Segment | - | - | - | - | - | - |
| Total Revenue | 129.00 | 147.25 | 228.23 | 149.24 | 357.23 | 296.49 |

RESULTS

| | | | | | | |
|-------------------------------|-------|--------|--------|--------|----------|---------|
| Segment Result (Before Tax) | 97.24 | 128.01 | 227.03 | 148.04 | 324.27 | 276.05 |
| Unallocable Income | - | - | - | - | - | - |
| Income Tax-Current | - | - | - | - | (105.38) | (68.20) |
| Deffered Tax Asset | - | - | - | - | - | 1.26 |
| Profit from Ordinary Business | - | - | - | - | 218.89 | 209.11 |

OTHER INFORMATION

| | | | | | | |
|-------------------------|----------|----------|------|-------|----------|----------|
| Segment Assets | 2,153.08 | 1,936.28 | 3.73 | 11.44 | 2,156.81 | 1,947.72 |
| Unallocable Assets | 185.36 | - | - | - | 185.36 | 91.59 |
| Segment Liabilities | 49.46 | 2.30 | - | - | 49.46 | 2.30 |
| Unallocable Liabilities | 105.38 | 68.20 | - | - | 105.38 | 68.20 |
| Depreciation. | - | - | - | - | - | - |
| Non Cash Expenses | - | - | - | - | - | - |

(Provision for Standard Asset)

SEGMENT ACCOUNTING POLICIES:

- Segment Revenue includes Income directly identifiable with/allocable to the segment including intersegment revenue.
- 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."
- Segment assets includes all operating assets I.e. investment and current assets used by the segment.
- Segment Liabilities consists of creditors and other liabilities directly attributable to segment but does not include tax & financial liabilities.

Note No. 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

None

B) RELATED PARTIES

Oswal Woollen Mills Ltd, Nahar Capital and Financial Services Ltd, Nahar Spinning Mills Ltd, Nahar Industrial Enterprises Ltd, Nahar Poly Films Ltd, Oswal Leasing Ltd, Vardhman Investment Ltd, Atam Vallabh Financiers Ltd, Palam Motels Ltd, White Tiger Breweries and Distilleries Ltd, Shri Atam Fabrics Ltd, Nagdevi Trading and Investment Co Ltd and Hug Foods Private Limited.

C) KEY MANAGEMENT PERSONNEL

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

1. SH. SAT PAUL NIJHAWAN
2. SH. GAGNISH KUMAR BHALLA
3. SH. NAVDEEP SHARMA
4. MRS. RUCHIKA OSWAL

D) TRANSACTION DURING THE YEAR WITH RELATED PARTIES**Inter Corporate Deposit with Oswal Woollen Mills Limited**

| | 31.03.2015 | 31.03.2014 |
|---|-------------------|-------------------|
| I) Interest Received on Inter Corporate Deposits Placed | 9,765,532.00 | 6,765,806.00 |
| II) T.D.S. Deducted | 976,553.00 | 676,581.00 |
| III) Intercompany Deposits Placed for the Year | 17,997,540.00 | 26,500,000.00 |
| IV) Intercompany Deposits Realised | 3,000,000.00 | 4,000,000.00 |
| Amount Paid in Other Account | 8,353,919.00 | 7,565,183.00 |
| Outstanding Balance Due | 96,600,000.00 | 81,602,460.00 |
| Interest Receivable from Oswal Woollen Mills Ltd | 2,294,872.00 | NIL |
| Share Application Money Paid to Hug Foods Pvt Ltd | 4,500,000.00 | NIL |

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

Note No. 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" issued by Companies (Accounting Standards) Rules, 2006.

| | 31.03.2015 | 31.03.2014 |
|---|--------------------------|----------------------|
| a) Profit/Loss after Tax | Rs. 21,889,368.88 | 20,910,912.18 |
| b) Income Tax Adjustments for the Prior Periods | (35910.00) | 3649 |
| Net Profit | 21,853,458.88 | 20,914,561.18 |
| c) Number of Weighted Average Equity Shares Outstanding | 2223914 | 2223914 |
| d) Earning per Shares (Face Value - Rs.10/- Per Share) Basic& Diluted | Rs. 9.83 | 9.40 |

Note No. 18 Transfer to Statutory Reserve Fund

A sum of Rs. 43,78,000/- (Previous Year Rs.41,83,000/-) 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 31.03.2015.

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

As per RBI Guidelines a Provision of 0.25% of Standard Asset has been created.

Note No. 21 Provision for Doubtful Debt

As per RBI Guideline a Provision of 100% of Unsecured Portion of Doubtful Asset has been created.

Note No. 22

The Company registered with RBI as an NBFC Vide Registration No. N - 06.00576 Dated. 17.10.2003.

Note No. 23

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

Subject to our report of even date
for **GUPTA VIGG & CO.**
CHARTERED ACCOUNTANTS
FRN: 01393N

Sd/-
(VINOD KUMAR KHANNA)
PARTNER
Membership No. 81585
PLACE : LUDHIANA
DATED : 29.05.2015

FOR KOVALAM INVESTMENT AND TRADING CO LTD

Sd/-
(NAVDEEP SHARMA)
DIRECTOR

Sd/-
(GAGNISH BHALLA)
DIRECTOR

ANNEXURE OF NOTE NO. 5

| Sr. No. | Name of the Body Corporate | Subsidiary/ Associates/ JV/Controlled Entity/ Others | No of Shares/Units | | Quoted/ Un-quoted | Partly Paid/ Fully Paid | Amount (Rs.) | | Whether stated at cost Yes/No | if Answer to Column (9) is "No" basis of Valuation |
|---------|----------------------------|--|--------------------|------|----------------------|----------------------------------|--------------|------|---|--|
| | | | 2015 | 2014 | | | 2015 | 2014 | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |

A. Details of Trade Investmentsa) **Investment in Equity Instruments**

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

B. Details of Other Investmentsa) **Investment in Equity Instruments**

| | | | | | | | | | | |
|---|--|---------------|---------|---------|-----------|------------|---------------|---------------|-----|------|
| 1 | Hug Food Private Limited | Related Party | 450000 | 450000 | Un-quoted | Fully Paid | 4,500,000.00 | 4,500,000.00 | Yes | N.A. |
| 2 | Nahar Spinning Mills Ltd | Related Party | 381911 | 381911 | Quoted | Fully Paid | 10,266,798.44 | 10,266,798.44 | Yes | N.A. |
| 3 | Nahar Industrial Enterprises Ltd | Related Party | 2068920 | 1989620 | Quoted | Fully Paid | 62,201,038.40 | 56,093,573.41 | Yes | N.A. |
| 4 | Nahar Poly Films Ltd | Related Party | 213037 | 213037 | Quoted | Fully Paid | 1,329,538.49 | 1,329,538.49 | Yes | N.A. |
| 5 | White Tiger Breweries & Distilleries Ltd | Related Party | 50000 | 50000 | Un-quoted | Fully Paid | 653,059.00 | 653,059.00 | Yes | N.A. |
| 6 | Shri Atam Fabrics Ltd | Related Party | 8000 | 8000 | Un-quoted | Fully Paid | 80,180.00 | 80,180.00 | Yes | N.A. |

ANNEXURE OF NOTE NO. 5

| Sr. No. | Name of the Body Corporate | Subsidiary/ Associates/ JV/Controlled Entity/ Others | No of Shares/Units | | Quoted/ Un-quoted | Partly Paid/ Fully Paid | Amount (Rs.) | | Whether stated at cost Yes/No | if Answer to Column (9) is "No" basis of Valuation |
|--|-------------------------------|--|--------------------|-------|----------------------|----------------------------------|-----------------------|-----------------------|---|--|
| | | | 2015 | 2014 | | | 2015 | 2014 | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 7 | Oswal Woollen Mills Limited | Related Party | 45 | 45 | Un-quoted | Fully Paid | 102.00 | 102.00 | | |
| 8 | SRF Ltd | Others | 49 | 49 | Quoted | Fully Paid | 166.39 | 166.39 | Yes | N.A. |
| 9 | Kirloskar Pneumatic Co Ltd | Others | 1 | 1 | Quoted | Fully Paid | 60.00 | 60.00 | Yes | N.A. |
| 10 | Mahanagar Telephone Nigam Ltd | Others | 55500 | 55500 | Quoted | Fully Paid | 8,858,915.66 | 8,858,915.66 | Yes | N.A. |
| 11 | Reliance Communicatins Ltd | Others | 12000 | 12000 | Quoted | Fully Paid | 4,215,243.07 | 4,215,243.07 | Yes | N.A. |
| 12 | IDBI Bank Ltd | Others | 50000 | 50000 | Quoted | Fully Paid | 6,237,989.45 | 6,237,989.45 | Yes | N.A. |
| 13 | Jindal Saw Ltd | Others | 12500 | 12500 | Quoted | Fully Paid | 1,748,947.85 | 1,748,947.85 | Yes | N.A. |
| 14 | Noida Toll Bridge Ltd | Others | 25000 | 25000 | Quoted | Fully Paid | 1,323,725.67 | 1,323,725.67 | Yes | N.A. |
| 15 | Steel Authority of India Ltd | Others | Nil | 12000 | Quoted | Fully Paid | 0.00 | 2,161,977.57 | Yes | N.A. |
| 16 | Steel Strips Wheels Ltd | Others | Nil | 5000 | Quoted | Fully Paid | 0.00 | 1,077,601.55 | Yes | N.A. |
| TOTAL: - I | | | | | | | <u>101,415,764.42</u> | <u>98,547,878.55</u> | | |
| b) <u>Investment in Preference Shares</u> | | | | | | | | | | |
| | Raj & Sandeep Private Limited | Others | 50 | 50 | Un-quoted | Fully Paid | <u>5,000.00</u> | <u>5,000.00</u> | Yes | N.A. |
| TOTAL: - II | | | | | | | <u>5,000.00</u> | <u>5,000.00</u> | | |
| Total Other Investment 'B' (I + II) | | | | | | | <u>101,420,764.42</u> | <u>98,552,878.55</u> | | |
| GRAND TOTAL: - (A + B) | | | | | | | <u>112,575,165.84</u> | <u>109,707,279.97</u> | | |

(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 | 107176951 | 104309065 |
| | (b) Preference | NIL | NIL |
| (ii) Debentures and Bonds | | NIL | NIL |
| (iii) Units of Mutual Funds | | NIL | NIL |
| (iv) Government Securities | | NIL | NIL |
| (v) Others | | NIL | NIL |

2. Unquoted:

| | | | |
|-----------------------------|----------------|------------------|------------------|
| (I) Shares | (a) Equity | 5393215 | 5393215 |
| | (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) | | 112575166 | 109707280 |
| GRAND TOTAL (A + B) | | 112575166 | 109707280 |

(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 | | 96600000 | 96600000 | | 81602460 | 81602460 |
| 2. Other than related parties | | 2000000 | 2000000 | | 2000000 | 2000000 |
| Total | | 98600000 | 98600000 | | 83602460 | 83602460 |

(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 | 157966746 | 90185118 | 169306559 | 84077653 |
| 2. Other than related parties | 6983379 | 22390048 | 8572077 | 25629627 |
| Total | 164950125 | 112575166 | 177878636 | 109707280 |

(7) Other information

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (I) Gross Non-Performing Assets | | |
| (a) Related parties | NIL | NIL |
| (b) Other than related parties | 2000000 | 2000000 |
| (ii) Net Non-Performing Assets | | |
| (a) Related parties | NIL | NIL |
| (b) Other than related parties | NIL | 1800000 |
| (iii) Assets acquired in satisfaction of debt | NIL | NIL |

Notes:

1. Companies in the same group means companies under the same management Companies Act, 1956.as per Section 370(1B) of the
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

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 3rd Sept, 2015 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. | To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31 st March, 2015 and the Reports of the Board of Directors and Auditors thereon. | | | |
| 2. | To appoint Auditors and fix their remuneration. | | | |
| 3. | To re-designate Sh. Navdeep Sharma (DIN: 00454285) as independent director of the Company. | | | |
| 4. | To re-designate Sh.Gagnish Kumar Bhalla (DIN:00468806) as independent director of the Company. | | | |
| 5. | To appoint Ms. Ruchika Oswal (DIN:00565979) as non executive director of the Company. | | | |
| 6. | To appoint Sh. Pawan Kumar Sharma (DIN:07163131) as director of the company. | | | |

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 33rd 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. 24th September, 2015.
- 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 atleast 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.owmnaahar.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

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**

33rd ANNUAL GENERAL MEETING

2015

I/we hereby record my/our presence at the 33rd Annual General Meeting of the Company to be held on Wednesday, the 30th day of September 2015 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. 18 of the Notice of 33rd Annual General Meeting carefully before voting electronically.

ELECTRONIC VOTING PARTICULARS

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

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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 33rd Annual General Meeting of the Company, to be held on Wednesday the 30th day of September 2015 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. | To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31 st March, 2015 and the Reports of the Board of Directors and Auditors thereon. | | |
| 2. | To appoint Auditors and fix their remuneration. | | |
| 3. | To re-designate Sh. Navdeep Sharma (DIN: 00454285) as independent director of the Company. | | |
| 4. | To re-designate Sh.Gagnish Kumar Bhalla (DIN:00468806) as independent director of the Company. | | |
| 5. | To appoint Ms. Ruchika Oswal (DIN:00565979) as non executive director of the Company. | | |
| 6. | To appoint Sh. Pawan Kumar Sharma (DIN:07163131) as director of the company. | | |

Place:

Signature of share holders / proxy holders
 or
 Authorised Representative

Date :

Notes:

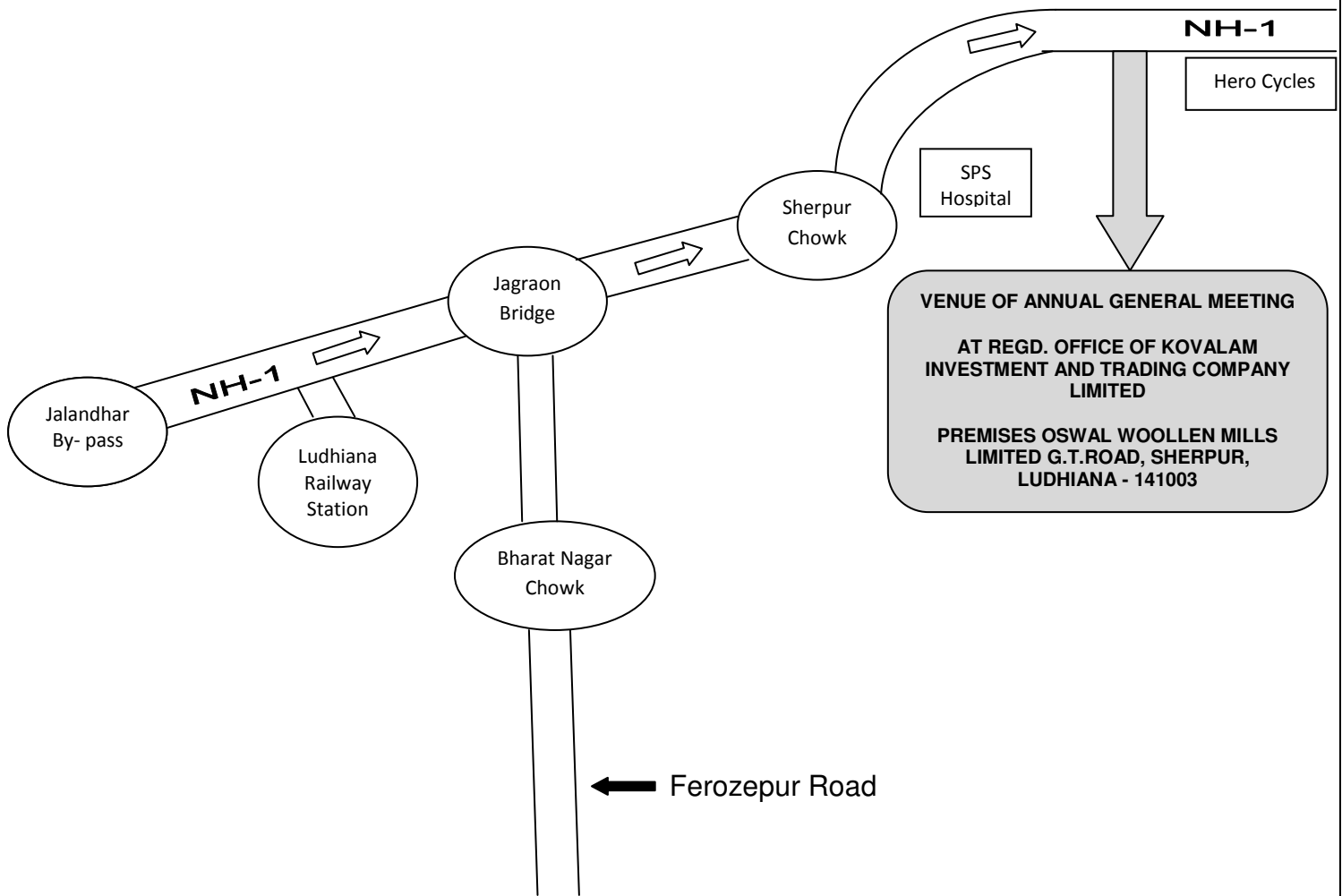


- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
- For the resolutions & notes, please refer to the notice of 33rd Annual General Meeting.
- Its optional to put 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.

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

F.Y. 2014-15

VENUE OF ANNUAL GENERAL MEETING
AT REGD. OFFICE OF KOVALAM INVESTMENT AND TRADING COMPANY LIMITED
PREMISES OSWAL WOOLLEN MILLS LIMITED G.T.ROAD, SHERPUR, LUDHIANA - 141003



VENUE OF ANNUAL GENERAL MEETING
AT REGD. OFFICE OF KOVALAM INVESTMENT AND TRADING COMPANY LIMITED
PREMISES OSWAL WOOLLEN MILLS LIMITED G.T.ROAD, SHERPUR, LUDHIANA - 141003

Route Map of AGM venue – not to scale

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