

## KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

REGD. OFFICE: PREMISES OSWAL WOOLLEN MILLS LTD, G.T. ROAD, SHERPUR, LUDHIANA-141003

February 12, 2020

Department of Corporate Relations,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001

**Scrip Code: 505585**

Dear Sir / Madam,

**Sub.: 1. Outcome of Board Meeting: Scrip Code: 505585**

**2. Un-Audited Financial Results for the Quarter and Nine Months ended December 31, 2019**

Please find below the outcome of the Board Meeting held today i.e. February 12, 2020. The said Board Meeting Commenced at 03:00 P.M. and Concluded at 04:10 P.M. on the same day.

Pursuant to Regulation 30 read with Part-A of the Schedule-III and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as "Listing Regulations"), please find enclosed herewith the Un-Audited Financial Results as per Indian Accounting Standards (Ind AS) for the Quarter and Nine Months ended on December 31, 2019, as reviewed by the Audit Committee and approved by the Board of Directors of the Company in their Meeting held on 12.02.2020 along with the Limited Review Report issued by M/s. YAPL & Co., Ludhiana, the Statutory Auditors of the Company.


Further, as required under regulation 47 of the Listing Regulations, the extract of the results are being published in the newspapers.

You are requested to kindly take the above on record and acknowledge the receipt of the same.

Thanking you,

Yours Truly,

For Kovalam Investment and Trading Company Limited

  
Jyoti Sud  
Company Secretary and Compliance Officer



Encl: as above

# KOVALAM INVESTMENT AND TRADING CO LIMITED

Regd. Office: Premises Cawal Woollen Mills Limited G.T. Road, Sherpur Ludhiana -141003 PB

CIN: L65910PB1981PLC023058, Ph: +91-161-5066005, www.ownmahar.com/kovalam, email: kovalam@ownmahar.com

## Statement of Unaudited Financial Results for the Quarter and Nine Months Ended 31/12/2019

Particulars	(Rs. in Lakhs)					
	Three Months Ended			Nine Months Ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income						
(a) Interest Income	0.13	0.91	17.14	2.07	54.70	55.93
(b) Dividend Income	8.98	1.34	0.00	10.32	9.69	10.29
(c) Brokerage Income	9.01	7.36	13.77	25.64	36.54	47.46
(d) Net gain on fair value changes	22.61	(69.23)	(36.90)	(54.29)	(80.07)	(60.80)
(e) Other Incomes	0.00	0.07	0.23	0.07	0.28	39.22
<b>Total Income</b>	<b>40.73</b>	<b>(59.55)</b>	<b>(5.76)</b>	<b>(16.19)</b>	<b>21.14</b>	<b>92.10</b>
2. Expenses						
(a) Finance expenses	0.00	0.00	0.00	0.00	0.01	0.01
(b) Employee Benefit Expenses	3.09	3.09	2.86	9.27	8.57	11.51
(c) Impairment on financial instruments	0.62	0.00	2.20	0.93	6.60	1.24
(d) Donations	0.00	0.00	3.75	0.00	11.25	15.00
(e) Other expenses	7.67	4.38	5.70	17.17	9.58	14.77
<b>Total expenses</b>	<b>11.38</b>	<b>7.47</b>	<b>14.51</b>	<b>27.37</b>	<b>36.01</b>	<b>42.53</b>
3. Profit Before Tax	29.35	(67.02)	(20.27)	(43.56)	(14.87)	49.57
4. Tax expense						
(a) Current Tax	0.70	6.93	6.34	8.20	19.94	19.74
(b) Deferred Tax	(12.90)	0.00	0.00	(13.76)	0.00	(1.30)
(c) Earlier Years	(1.29)	(0.00)	0.00	(0.06)	(0.03)	(0.02)
<b>Total tax expense</b>	<b>(13.49)</b>	<b>6.93</b>	<b>6.34</b>	<b>(5.62)</b>	<b>19.91</b>	<b>18.42</b>
5. Profit after tax	42.84	(73.95)	(26.61)	(37.94)	(34.79)	31.15
6. Other comprehensive income, net of tax						
(a) Items that will not be reclassified to profit or loss	(347.87)	(360.06)	(44.67)	(1109.00)	(455.95)	(628.44)
<b>Total other comprehensive income, net of tax</b>	<b>(347.87)</b>	<b>(360.06)</b>	<b>(44.67)</b>	<b>(1109.00)</b>	<b>(455.95)</b>	<b>(628.44)</b>
7. Total comprehensive income	(305.03)	(434.01)	(71.28)	(1146.94)	(490.73)	(597.29)
8. Paid-up Equity Share Capital (Face Value: Rs 10/- per share)	222.39	222.39	222.39	222.39	222.39	222.39
9. Reserves excluding revaluation reserves as per balance sheet of previous accounting year						3489.03
10. Earning per Share (EPS) (of Rs. 10) (not annualised)						
Basic & diluted EPS before extraordinary items						
- Basic	1.93	(3.33)	(1.20)	(1.71)	(1.56)	1.40
- Diluted	1.93	(3.33)	(1.20)	(1.71)	(1.56)	1.40

## SEGMENT WISE REVENUE RESULTS AND CAPITAL EMPLOYED

Sl. No.	Particulars	Three Months Ended			Nine Months Ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Segment Revenue (Net sales / Income from each segment)						
	a) Investment & Finance	31.72	(66.91)	(19.53)	(41.83)	(15.40)	44.64
	b) Services (Brokerage)	9.01	7.36	13.77	25.64	36.54	47.46
	<b>Total</b>	<b>40.73</b>	<b>(59.55)</b>	<b>(5.76)</b>	<b>(16.19)</b>	<b>21.14</b>	<b>92.10</b>
	Less: Inter segment revenue	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Net sales / Income from operations</b>	<b>40.73</b>	<b>(59.55)</b>	<b>(5.76)</b>	<b>(16.19)</b>	<b>21.14</b>	<b>92.10</b>
2.	Segment Results (Profit (+)/Loss(-) before tax and interest from each segment)						
	a) Investment & Finance	20.64	(74.08)	(29.69)	(68.30)	(39.25)	17.42
	b) Services (Brokerage)	8.71	7.06	13.17	24.74	35.64	47.16
	<b>Total</b>	<b>29.35</b>	<b>(67.02)</b>	<b>(16.52)</b>	<b>(43.56)</b>	<b>(3.61)</b>	<b>64.58</b>
	Less: Finance Costs	0.00	0.00	0.00	0.00	0.01	0.01
	II. Other un-allocable expenditure net off un-allocable income	0.00	0.00	3.75	0.00	11.25	15.00
	<b>Total Profit (+) / Loss (-) Before Tax</b>	<b>29.35</b>	<b>(67.02)</b>	<b>(20.27)</b>	<b>(43.56)</b>	<b>(14.87)</b>	<b>49.57</b>
3.	Segment Assets						
	a) Investment & Finance	2,303.01	2,658.59	3,537.14	2,303.01	3,537.14	3,404.45
	b) Services (Brokerage)	3.63	2.78	3.49	3.63	3.49	4.71
	<b>Total</b>	<b>2,306.64</b>	<b>2,661.37</b>	<b>3,540.63</b>	<b>2,306.64</b>	<b>3,540.63</b>	<b>3,409.16</b>
4.	Segment Liabilities						
	a) Investment & Finance	(35.44)	14.26	(54.95)	(35.44)	(54.95)	0.59
	b) Services (Brokerage)	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>(35.44)</b>	<b>14.26</b>	<b>(54.95)</b>	<b>(35.44)</b>	<b>(54.95)</b>	<b>0.59</b>



**Notes:**

- 1 The above financial results have been reviewed and recommended by the Audit Committee and taken on record by the Board of Directors of the company at their meeting held on 12.02.2020. The financial results have been subjected to Limited Review by Statutory Auditors of the Company.
- 2 The financial results have been arrived after considering provision for standard assets as per RBI guidelines.
- 3 The financial results for the quarter and year ended 31st March, 2019 have been arrived after considering provision for permanent diminution in value of investment which is included in Other expense as a result of which company incurred losses in last quarter of the financial year.
- 4 The figures of previous periods have been re-grouped/recasted/rearranged, wherever necessary, to make them comparable.
- 5 Impact of IND AS on the Fair value of unlisted shares is to be given on yearly basis as it is not possible to calculate the fair value on quarterly basis.
- 6 The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, from 1 April 2019 and the effective date of such transition is 1 April 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding figures, presented in these results, have been restated/reclassified. There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of the financial statements as at and for the year ending 31 March 2020 prepared under Ind AS.
- 7 As required by paragraph 32 of Ind AS 101, net profit reconciliation is as under. All figures are net of related tax impacts.

(Rs. in Lakhs)

Particular	Quarter ended 31.12.2018 Unaudited	Nine Months ended 31.12.2018 Unaudited
Net profit as reported under Indian GAAP	(26.87)	(31.27)
Ind As adjustments increasing/(decreasing) net profit as reported under Indian GAAP:		
Fair Valuation of Financial Assets through Profit and Loss	(0.26)	3.54
Tax impact on above	0.52	(7.03)
Net profit after tax as per Ind AS	(26.61)	(34.76)
Other comprehensive income, net of tax	(44.67)	(455.97)
Total comprehensive income	(71.28)	(490.73)

Place : Ludhiana  
Date : 12.02.2020



*Mohinder Kumar Jain*  
Manager





# YAPL & CO.

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Chartered Accountants  
102-Kismat Complex, G. T. Road,  
Miller Ganj, LUDHIANA-141 003. (Punjab)

Ref. No.....

Dated .....

**Limited Review Report on Unaudited Quarterly Financial Results of the Company for the quarter ended 31<sup>st</sup> December, 2019 of Kovalam Investment and Trading Company Ltd. under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To

**The Board of Directors of Kovalam Investment and Trading Company Ltd.**

We have reviewed the accompanying statement of unaudited financial results ("the Statement") of *Kovalam Investment & Trading Company Limited* ("the Company") for the quarter ended 31st December, 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations"), including relevant circulars issued by the SEBI from time to time.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI





# YAPL & CO.

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Chartered Accountants

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Miller Ganj, LUDHIANA-141 003. (Punjab)

Ref. No. Circular(s), and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For YAPL & Co.  
Chartered Accountants  
Firm Regn.No.017800N



(CA Sakshi Garg)  
Partner  
Membership No.553997

Place: New Delhi  
Date: 12/02/2020

UDIN:-20553997AAAAA66836