

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

32nd

ANNUAL
REPORT

2013-14

BOARD OF DIRECTORS

Sh. Navdeep Sharma

Sh. Satpaul Nijhawan

Sh. Gagnish Kumar Bhalla

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

32nd ANNUAL GENERAL MEETING

Day : Tuesday

Date : 30th September, 2014

Time : 4.00 P.M

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

KOVALAM INVESTMENT & TRADING CO. LTD.

Regd. Off. Premises Oswal Woollen Mills Ltd.G.T.Road, Sherpur, Ludhiana

CIN NO. : L65910PB1981PLC023058

EMAIL : kovalam@owmnahar.com

TELE : 01615066605

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the members of Kovalam investment & Trading Company Limited will be held at Regd. Office of the Company on Tuesday the 30th day of September 2014 at 4:00 PM to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2014, the profit and loss account for the financial year ended on that date and the reports of directors and auditors thereon.
2. To appoint Director in place of Sh. Navdeep Sharma (DIN No.0454285) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company for the financial year 2014-15 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."

For and on behalf of the Board,

Sd/-

Navdeep Sharma
Chairman

(DIN No.0454285)

Place: Ludhiana
Dated: 01.09.2014

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member.
2. Proxies in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. The register of members and share transfer books of the company shall remain closed from 27th September 2014 to 30th September 2014 (both days inclusive) for AGM purpose.
4. Members seeking any information with regard to annual accounts at the time of meeting are requested to send their queries to the company at least seven days before the date of meeting so as to enable the management to keep the relevant information ready.
5. Members are requested to notify the change in their address, if any, to the company at the earliest.

KOVALAM INVESTMENT & TRADING CO. LTD.

Regd. Off. Premises Oswal Woollen Mills Ltd.G.T.Road, Sherpur, Ludhiana

CIN NO. : L65910PB1981PLC023058
EMAIL : kovalam@owmnaahar.com
TELE : 01615066605

DIRECTOR'S REPORT

TO THE MEMBERS:-

Your directors present the 32nd Annual Report together with the audited accounts of the company for the year ended 31st March 2014.

WORKING RESULTS:

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

	Amount in Rupees	
	Year ended 31.03.2014	Year ended 31.03.2013
Gross Income	29648846	18432676
Profit before tax	27604508	17532458
Less : Provision for income tax	(6820156)	(5394110)
Deferred Tax Liability / Assets	126560	(19620)
Profit after Tax for the year	20910912	12118728
Add : Balance B/F from previous year	4642392	4949760
Available for appropriation	25553304	17068488
Income tax adjustments for prior periods	3649	(1096)
Transferred to Reserve Fund	(4183000)	(2425000)
Transferred to general reserve	0	(10000000)
Balance carried forward	21373953	4642392

OPERATIONS

During the year under review the company's funds remained invested in Shares, Loans and Advances. The dividend income earned was Rs.31,92,083/- (previous year Rs 8,58,043/-). The interest income earned was Rs.67,65,806/- (previous years Rs. 57,52,870/-). During the year the company also earned brokerage income of Rs 1,49,23,530/- (net of service tax) on mobilization of funds of third parties (previous year 1,16,37,321/-).

DIVIDEND

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

DIRECTORS

Sh. Navdeep Sharma, (DIN No.0454285) Director of the company retires by rotation at the ensuing Annual General meeting and being eligible offers himself for re-appointment.

BONUS SHARES ISSUED TO PUBLIC SHAREHOLDERS

The company has issued on 08.08.2013 , 517704 equity shares of Rs. 10/- each as bonus shares to the public shareholders (promoters/ promoter group forgoing their entitlement) in order to comply with the provisions of clause 40A of the listing agreement regarding minimum public shareholding requirement (MPS). For the said issue the company has raised its authorized share capital from Rs. 2 crores to Rs. 3 crores. on 15.07.2013 .This fact was also disclosed in the last Directors Report being material information

CORPORATE GOVERNANCE

The Corporate Governance clause under the listing agreement is not applicable to our company as the paid-up capital of the company is less than Rs.3 Crores.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the company for the year under review.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 for

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- iv) That the directors had prepared the accounts for the financial year ended 31.03.2014 on a 'going concern' basis.

COMPLIANCE CERTIFICATE

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

PUBLIC DEPOSITS:

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

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.

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

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

- | | | |
|----|------------------------------------|-----|
| 1. | Conservation of energy | N.A |
| 2. | Technology absorption | N.A |
| 3. | Foreign Exchange Earning and outgo | N.A |

PARTICULARS OF EMPLOYEES

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

LISTING FEES

Your company's shares are listed on the Stock Exchange, Mumbai and the listing fee for the financial year 2014-2015 has been paid.

GENERAL:

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

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

Place: Ludhiana

Date: 01.09.2014

SECRETARIAL COMPLIANCE CERTIFICATE

Registration no. of Company: 16-023058
CIN: U65910PB1981PLC023058
Nominal Capital: 3, 00, 00,000

The Members,
M/s Kovalam Investment & Trading Company Limited.
Premises Oswal Woollen Mills Ltd.,
G.T. Road, Sherpur
Ludhiana.

We have examined the registers, records, Books and papers of **M/s. Kovalam Investment & Trading Company Limited, Ludhiana**, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also provisions contained in the Memorandum and the Articles of the Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and the agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, or other authorities within the prescribed time under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met fourteen times on 08th April, 2013, 11th May, 2013, 10th June, 2013, 20th June, 2013, 25th July, 2013, 8th August, 2013, 12th August, 2013, 26th August, 2013, 16th September, 2013, 1st October, 2013, 14th November, 2013, 4th January, 2014, 8th February, 2014 and 26th March, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minute Book and signed . There was no resolution passed by circular during the financial year.
5. The Company closed its Register of Members, from 26th September, 2013 to 28th September, 2013 and necessary compliance of section 154 of the Act has been made as notice in this regard has been got published in the newspaper, 'THE PIONEER', Delhi and 'DESH-SEWAK' Punjab.
6. The Annual General Meeting in respect of the financial year ending on 31st March, 2013 of the company was held on 28th September, 2013 & the business transacted was properly recorded in Minutes Book maintained for the purpose.
7. Extra Ordinary General Meeting of the shareholders of the company was held on 15.07.2013 for increase in the Authorised Share Capital of the Company.

8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Director, members or the central government as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) The company has allotted 517704 fully paid up equity *shares* as bonus shares to the non-promoters of the Company in order to comply with the requirement of Clause 40A of the Listing Agreement, during the financial year.
(ii) There was no transfer/transmission of shares during the year.
(iii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iv) The company has not required to post warrants to any members of the company as no dividend was declared during the financial year.
(v) The company has not any outstanding under unpaid accounts, application money due for refund matured deposits, matured Debentures and interest accrued thereon, which have remained unclaimed or unpaid for seven years.
(vi) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional director, alternate director and director to fill the casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The company has increased its authorized share capital from Rs. Two Crores to Three Crores and has taken required approvals of the concerned Registrar of Companies, during the financial year.

18. The directors have disclosed their interest in other firms/companies.
19. The company has issued 5,17,704 fully paid up equity shares as bonus shares to the non promoters of the Company in order to comply with the requirement of Clause 40A of the Listing Agreement, during the financial year.
20. The Company has not bought back of any shares during the financial year.
21. There was no redemption of preference share or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right to shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58 A during the financial year.
24. The Company has not made any borrowing during the financial year ending 31st March, 2014.
25. The company has made fresh investments with other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of company during the year under scrutiny.
29. The company has altered the provisions of the Memorandum with the respect to share capital of the company during the year under scrutiny..
30. The company has altered its Articles of Association during the financial year.
31. There was/ were no prosecution initiated against the company, during the financial year, for offences under the Act.

However show cause notice dated 15/04/2013 and subsequent order dated 04/06/2013 was received by the Company from Securities and Exchange Board of India (SEBI), for non compliance with Clause 40A of the Listing Agreement.

The Company has complied with required compliance of LISTING AGREEMENT on 08/08/2013 and has also received order from SEBI vide it's order No. WTM/PS/CRD/02/APRIL/2014 dated 16th April 2014***

32. The company has received Rs. NIL as security from its employees during the year under certification, hence the provisions of section 417 (1) of the Act are not applicable.
33. The Company has not deducted any contribution towards Provident Fund during the financial year. The Provisions of Section 418 of the Act are not applicable.

Place: Ludhiana

**Sd/-
Signature**

Dated: 01.09.2014

**Name of the Company Secretary: P.S. Dua
C. P. no.: 3934**

Annexure A

Register as maintained by the Company

1. Minutes Book of Board Meeting & General Meeting.
2. Register of Member's u/s 150.
3. Register of Transfers of Equity shares.
4. Register of Directors, Manager and Secretary u/s 303.
5. Register of particulars of firms & companies in which Directors are interested u/s 301.
6. Register of investments/ loans u/s 372 A.

Annexure B

Forms and Returns as filed by the company with the Registrar of Companies, during the financial year ending on 31st March 2014.

S. No.	Form No.	Filed U/s	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional fee paid Yes/No.
1.	Form-23	31with 97 (1)	29/07/2013	Yes	NA.
2.	Form-5 (In respect of Increase in authorized share capital)	16	02/08/2013	Yes	NA.
3.	Form-2 (In respect of allotment of Bonus Shares)	75(1)	22/08/2013	Yes	N.A
4.	Balance Sheet & P&L A/c.(Form23AC &23ACA)	220	20/10/2013	Yes	NA.
5.	Compliance Certificate (Form 66)	383 A	01/11/2013	No	Yes.
6.	Annual Return (Form 20B)	159	25/11/2013	Yes	NA.

*** SEBI order No. WTM/PS/CRD/02/APRIL/2014 dated 16th April 2014 has been taken on records, though received after 31st March, 2014 as considered important

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

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To The Members of
M/s Kovalam Investment And Trading Company Limited,
L U D H I A N A.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Kovalam Investment And Trading Company Limited, Ludhiana ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2014;

(b) in the case of the Profit and Loss Account, of the profit/loss 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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 those books.

c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Dated: 30.05.2014
Place: LUDHIANA.

Sd/-
(CA.VINOD KUMAR KHANNA)
PARTNER
M.NO.81585

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (1) UNDER THE HEADING OF "Reporting on Other Legal and Regulatory Requirements" of our report of even date]

- (i) a) The Company has maintained proper records showing full particular including quantitative details and situation of the fixed assets.
- b) According to the information and explanation given to us, the Company had only Land & Building as its fixed assets the same were physically verified by the management during the year.
- c) During the year, the company has disposed off all its fixed assets and the going concern status of the company is not affected as the company is primarily in investment business.
- (ii) The Company does not have any inventories. Hence Clauses 4(ii)(a), (b) and (c) are not applicable to the Company.
- (iii) a) The Company has granted loan to one party covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.8,16,02,460 and year end balance is Rs.8,16,02,460/-.
- b) In our opinion, the rate of interest and other terms & conditions on which the loans have been granted are not prima-facie prejudicial to the interest of the Company.
- c) The Loans granted are receivable on demand.
- d) There is no overdue amount.
- e) The Company has not taken any loans from the parties covered in the registered maintained u/s 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii)(f) & (g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business. During the course of our audit, we have not observed any major weaknesses in internal control.
- (v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- b) In our opinion and according to the information and explanations given to us, no transactions have been made made in pursuance of such contracts or arrangements during the year.
- (vi) The company has not accepted any deposits from public. Hence, the clause 4(vi) of the Order is not applicable to the company.
- (vii) In our opinion, the company has internal audit system commensurate with its size and nature of its business.

- (viii) The maintenance of cost records has not been prescribed by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. Hence clause 4(viii) of the Order is not applicable.
- (ix) a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, custom duty, excise duty, cess and other material statutory dues applicable to the company, if any, have been regularly deposited with appropriate authorities.
- According to the information and explanations given to us, undisputed amounts payable in respect of above dues were not in arrears, as at 31st March, 2014 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service-tax, excise duty and cess which have not been deposited on account of any disputes.
- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- (xi) The Company has not borrowed any money from banks or financial institutions. Hence Clause 4(xi) is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) In respect of dealing/investments in shares, in our opinion and according to the information and explanations given to us, proper records have been maintained of the investments and timely entries have been made therein. The shares and other investments have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any term loans and hence not applicable.
- (xvii) The Company has not raised any funds on short term basis. Accordingly, Clause 4(xvii) is not applicable to the Company.

- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Hence clause 4(xviii) of the Order is not applicable.
- (xix) The company has not issued debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xx) The company has not raised money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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

Dated: 30.05.2014
Place: LUDHIANA.

Sd/-
(CA.VINOD KUMAR KHANNA)
Partner
M.No.81585

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**BALANCE SHEET AS AT 31.03.2014**

PARTICULARS	Refer Note No	Amount (Rs.)	
		AS AT 31.03.2014	AS AT 31.03.2013
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	1	22,239,140.00	17,062,100.00
Reserves and Surplus	2	174,640,913.60	158,903,392.42
		<u>196,880,053.60</u>	<u>175,965,492.42</u>
<u>Current Liabilities</u>			
Other Current Liabilities	3	21,348.00	27,625.00
Short Term Provisions	4	7,029,256.00	5,526,710.00
		<u>7,050,604.00</u>	<u>5,554,335.00</u>
Total Equity and Liabilities		<u>203,930,657.60</u>	<u>181,519,827.42</u>
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	5	0.00	13,432,573.00
Non Current Investments	6	109,707,279.97	107,090,680.80
Deferred Tax Asset (Net)	7	792,838.00	666,278.00
		<u>110,500,117.97</u>	<u>121,189,531.80</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	8	517,710.94	643,337.06
Short Term Loans and Advances	9	83,402,460.00	53,013,235.00
Other Current Assets	10	9,510,368.69	6,673,723.56
		<u>93,430,539.63</u>	<u>60,330,295.62</u>
Total Assets		<u>203,930,657.60</u>	<u>181,519,827.42</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
Place: Ludhiana
Dated: 30.05.2014

Sd/-
(NAVDEEP SHARMA)
DIRECTOR

Sd/-
(GAGNISH BHALLA)
DIRECTOR

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014**

PARTICULARS	Refer Note No	Amount (Rs.)	
		For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
<u>INCOME</u>			
<u>Revenue from Operations</u>			
Income from Brokerage (Gross)		14,923,530.08	11,793,941.78
<u>Less:</u>			
Service Tax deducted by Mutual Funds		0.00	156,620.52
Other Operating Income	11	14,725,316.50	6,770,355.06
Other Income	12	0.00	25,000.00
Total Revenue		<u>29,648,846.58</u>	<u>18,432,676.32</u>
<u>EXPENSES</u>			
Employee Benefits Expense	13	120,000.00	120,000.00
Depreciation	5	0.00	299,163.00
Other Expenses	14	1,924,338.40	481,055.01
Total Expenses		<u>2,044,338.40</u>	<u>900,218.01</u>
Profit before tax		27,604,508.18	17,532,458.31
Tax Expense:			
Current tax		(6,820,156.00)	(5,394,110.00)
Deferred Tax		126,560.00	(19,620.00)
Profit for the period		<u>20,910,912.18</u>	<u>12,118,728.31</u>
Earnings per equity share:			
Basic and Diluted		9.40	5.45

Significant Accounting Policies Notes
on Financial Statements 1 To 23

As per our Report of even date annexed
FOR GUPTA VIGG & COMPANY
FRN - 001393N

Sd/-
(VINOD KUMAR KHANNA)
Partner
M.No. 81585

FOR KOVALAM INVESTMENT AND TRADING CO LTD

Sd/-
(NAVDEEP SHARMA)
DIRECTOR

Sd/-
(GAGNISH BHALLA)
DIRECTOR

PLACE: LUDHIANA
DATED: 30.05.2014

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

	2013 - 2014	2012 - 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra Ordinary items	27,604,508	17,532,458
Adjustments for		
1 Depreciation and Non Cash Expenses	200,000	299,163
2 Provision for Standard Asset Written Back	76,500	(38,500)
3 Profit/Loss on Sale of Investments	(4,124,189)	(120,942)
4 Dividend	(3,192,084)	(858,043)
5 Interest (Net)	(6,765,806)	(5,752,870)
Operating Profit before working capital changes :	13,798,930	11,061,266
Adjustments for		
1 Trade & Other Receivable	196,013	0
2 Inventories	0	0
3 Trade payables	(6,277)	(153,128)
4 Deffered payment expenses		0
Cash Generated from Operations	13,988,666	10,908,138
Taxes Paid	(8,423,119)	(4,686,629)
Net cash from operating activities	5,565,547	6,221,509
B. CASH FLOW FROM INVESTING ACTIVITIES		
Change in Loans and Advances	(30,589,225)	14,707,214
Purchase of Investments	(3,454,399)	(52,079,146)
Sale of Investments (Including Profit on sale of Investment)	18,394,561	24,234,180
Interest received	6,765,806	5,752,870
Dividend received	3,192,084	858,043
Net Cash used in Investing Activities	(5,691,173)	(6,526,839)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash used in Financing Activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(125,626)	(305,330)
Cash and Cash Equivalents as at beginning of the year	643,337	948,667
Cash and Cash Equivalents as at close of the year	517,711	643,337

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 : 30.05.2014

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 31.03.2014 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 : 30.05.2014

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

Note: 1.1 SHARE CAPITAL

PARTICULARS	AS AT 31.03.2014		AS AT 31.03.2013	
	Number	Rs.	Number	Rs.
Authorised				
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>

Note : Authorised Share Capital increased from Rs.2,00,00,000.00 To Rs. 3,00,00,000.00 Approved by Shareholders meeting held on 15.07.2013.

Issued, Subscribed & Paid up

Equity Shares of Rs.10/- each fully paid up	2223914	22,239,140.00	1706210	17,062,100.00
	<u>2223914</u>	<u>22,239,140.00</u>	<u>1706210</u>	<u>17,062,100.00</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	1706210	17,062,100.00	1706210	17,062,100.00
Share issued during the year on 08.08.2013	517704	5,177,040.00	NIL	NIL
Shares outstanding at the end of the year	<u>2223914</u>	<u>22,239,140.00</u>	<u>1706210</u>	<u>17,062,100.00</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 2014		As at 31 March 2013	
	No of Shares Held	% of Holding	No of Shares Held	% of Holding

Nagdevi Trading and Investment

Company Limited	830685	37.35	830685	48.69
Sankheshwar Holding Co Ltd	176400	7.93	176400	10.34
Girnar Investment Ltd	160035	7.20	160035	9.38
Vanaik Investors Ltd	123360	5.55	123360	7.23
J.L. Growth Fund Ltd	-	-	91130	5.34
Ludhiana Holdings Ltd	-	-	87000	5.10

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Note: 2 Reserves & Surplus		
<u>General Reserves</u>		
Opening Balance	122,355,000.00	112,355,000.00
(-) Utilised for issue of Bonus Shares	(4,214,040.00)	0.00
(+) Current Year Transfer	0.00	10,000,000.00
Closing Balance (A)	<u>118,140,960.00</u>	<u>122,355,000.00</u>
<u>Capital Reserves</u>		
Opening Balance	963,000.00	963,000.00
(-) Utilised for issue of Bonus Shares	(963,000.00)	0.00
Closing Balance (B)	<u>0.00</u>	<u>963,000.00</u>
<u>Statutory Reserves Fund</u>		
Opening Balance	30,943,000.00	28,518,000.00
(+) Current Year Transfer	4,183,000.00	2,425,000.00
Closing Balance (C)	<u>35,126,000.00</u>	<u>30,943,000.00</u>
<u>Surplus</u>		
Opening Balance	4,642,392.42	4,949,760.03
(+) Profit for the Year	20,910,912.18	12,118,728.31
Income Tax Adjustments for prior periods	3,649.00	(1,095.92)
(-) Statutory Reserve Fund	(4,183,000.00)	(2,425,000.00)
(-) General Reserve	0.00	(10,000,000.00)
Closing Balance (D)	<u>21,373,953.60</u>	<u>4,642,392.42</u>
TOTAL :- (A + B + C + D)	<u><u>174,640,913.60</u></u>	<u><u>158,903,392.42</u></u>
Note: 3 Other Current Liabilities		
Rent Payable	0.00	0.00
Expenses Payable	0.00	13,580.00
Expenses Payable - (Master Trust)	0.00	0.00
Audit Fee Payable	16,854.00	11,236.00
Tax Audit Fee Payable	4,494.00	2,809.00
Gupta Vigg & Co, Ludhiana	0.00	0.00
	<u>21,348.00</u>	<u>27,625.00</u>
Note: 4 Short term Provisions		
Provision for Standard Asset	209,100.00	132,600.00
Provision for Income Tax	6,820,156.00	5,394,110.00
	<u>7,029,256.00</u>	<u>5,526,710.00</u>

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

Note: 5 NON - CURRENT ASSETS

Fixed Assets

(Amount in Rs.)

Name of Assets	G R O S S B L O C K			D E P R E C I A T I O N				N E T B L O C K	
	As on 01.04.2013	Additions Sale/Adj	As on 31.03.2014	As on 01.04.2013	More Than 180 Days	Sale/ Adj	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
<u>Tangible Assets</u>									
Land	10,740,104	0	10,740,104	0	0	0	0	0	10,740,104
Building	3,887,761	0	3,887,761	1,195,292	0	0	1,195,292	0	2,692,469
Total	14,627,865	0	14,627,865	1,195,292	0	0	1,195,292	0	13,432,573
PREVIOUS YEAR FIGURES	14,627,865	0	14,627,865	896,129	299,163	0	1,195,292	13,432,573	13,731,736

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<u>NOTE: 6 NON CURRENT INVESTMENTS</u>		
<u>Trade Investments (Refer A below)</u>		
Investment in Equity Instruments	11,154,503.42	11,154,503.42
(A)	<u>11,154,503.42</u>	<u>11,154,503.42</u>
<u>Other Investments (Refer B below)</u>		
Investment in Equity Instruments	98,547,776.55	95,931,177.38
Investment in Preference Shares	5,000.00	5,000.00
(B)	<u>98,552,776.55</u>	<u>95,936,177.38</u>
TOTAL : - (A + B)	<u><u>109,707,279.97</u></u>	<u><u>107,090,680.80</u></u>

Aggregate amount of quoted investments (Market value of quoted investment Rs. 17,24,80,421.43

Previous Rs. 12,65,75,254-15)	104,309,064.97	101,692,465.80
Aggregate amount of unquoted investments	5,398,215.00	5,398,215.00

Note: 6.1

Note: The Market Value of quoted investments is based on the price prevailing in the market as on 31st March, 2014.

Note No. 7 DEFERRED TAX ASSETS

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

Deferred Tax Assets

Opening Balance	666,278.00	685,898.00
Timing difference on account of		
Short Term Capital Loss/Gain	<u>126,560.00</u>	<u>(19,620.00)</u>
Rs.	<u><u>792,838.00</u></u>	<u><u>666,278.00</u></u>

Note: 8 Cash and Cash Equivalents

a) Balances with Banks

In Current Account

Allahabad Bank, Ludhiana	455,637.83	611,842.95
ICICI Bank Ltd, Ludhiana	20,108.54	108.54
b) Cash in Hand	41,964.57	31,385.57
	<u><u>517,710.94</u></u>	<u><u>643,337.06</u></u>

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<u>Note: 9 Short Term Loans and Advances</u>		
<u>Unsecured, considered good</u>		
Oswal Woollen Mills Ltd	81,602,460.00	53,013,235.00
<u>Unsecured, considered Doubtful</u>		
GJM Associate & Consultant LLP	2,000,000.00	0.00
	83,602,460.00	53,013,235.00
Less: Provision for Doubtful Debts	200,000.00	0.00
	<u>83,402,460.00</u>	<u>53,013,235.00</u>
 <u>Note: 10 Other Current Assets</u>		
Advance Income Tax & TDS	8,366,466.00	5,333,808.00
Brokerage Receivable	1,143,902.69	1,339,915.56
	<u>9,510,368.69</u>	<u>6,673,723.56</u>
 <u>Note: 11 Other Operating Income</u>		
Interest Income	6,765,806.00	5,752,870.00
<u>Dividend Income</u>		
On Trade Investment - Associates	557,290.50	557,290.50
On Trade Investment - Others	211,250.00	0.00
On Other Investment - Associates	2,308,513.00	106,518.50
On Other Investment - Others	115,030.00	194,233.77
Profit on Sale of Investments	0.00	120,942.29
Profit on Sale of Assets	4,767,427.00	0.00
Provision for Standard Asset Written Back	0.00	38,500.00
	<u>14,725,316.50</u>	<u>6,770,355.06</u>
 <u>Note: 12 Other Income</u>		
Misc. Income	0.00	25,000.00
	<u>0.00</u>	<u>25,000.00</u>
 <u>Note: 13 Employee Benefit Expenses</u>		
Salary Paid	120,000.00	120,000.00
	<u>120,000.00</u>	<u>120,000.00</u>

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<u>Note: 14 Other Expenses</u>		
Loss on Sale of Shares	643,238.34	33,712.56
Printing & Stationery	6,976.00	7,225.00
Rate, Fee & Taxes	203,500.00	3,500.00
Bank Charges	2,776.00	628.00
Listing Fees	16,854.00	16,854.00
Postage & Telegram Charges	6,235.00	3,780.00
Legal & Professional	95,541.00	84,480.00
Electricity Expenses	0.00	16,425.00
Misc. Expenses	2,476.06	4,084.16
Rent Paid	161,799.00	161,799.00
S.T.T. Paid	3,637.00	79,710.92
S.T.T. (Trading)	0.00	2,134.13
EGM Expenses	2,000.00	0.00
Share Issue Expenses	480,558.00	0.00
Fund Accountant Fees	0.00	2,235.05
Management Fees	0.00	44,625.92
Service Tax	0.00	5,366.27
Provision for Standard Asset	76,500.00	0.00
Provision for Doubtful Debt	200,000.00	0.00
<u>AUDITOR'S REMUNERATION</u>		
Audit Fee	16,854.00	11,236.00
Tax Audit Fee	4,494.00	2,809.00
Certification Charges	900.00	450.00
	<u>1,924,338.40</u>	<u>481,055.01</u>

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

Note No. 15

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) Fixed Assets and Depreciation

Tangible assets are stated at Cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation is charged on WDV basis as per Income Tax Rule. However there is no asset as on 31.03.2014.

d) Investments

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

e) Accounting for Taxes on Income

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

f) Impairment of Assets:

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

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

Note No. 16 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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
External	147.25	67.70	149.24	116.37	296.49	184.07
Inter Segment	-	-	-	-	-	-
Total Revenue	147.25	67.70	149.24	116.37	296.49	184.07
<u>RESULTS</u>						
Segment Result (Before Tax)	128.01	59.90	148.04	115.17	276.05	175.07
Unallocable Income	-	-	-	-	-	0.25
Income Tax-Current	-	-	-	-	(68.20)	(53.94)
Deffered Tax Asset	-	-	-	-	1.26	(0.20)
Profit from Ordinary Business	-	-	-	-	209.11	121.18
<u>OTHER INFORMATION</u>						
Segment Assets	1,936.28	1,741.79	11.44	13.40	1,947.72	1,755.19
Unallocable Assets	-	-	-	-	91.59	60.01
Segment Liabilities	2.30	1.60	-	-	2.30	1.60
Unallocable Liabilities	68.20	53.94	-	-	68.20	53.94
Depreciation.	-	2.99	-	-	-	2.99
Non Cash Expenses	-	-	-	-	-	-
(Provision for Standard Asset)						

SEGMENT ACCOUNTING POLICIES:

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

Note No. 17 RELATED PARTY DISCLOSURES

INFORMATION RELATED TO RELATING PARTY TRANSACTION AS PER ACCOUNTING STANDARD – 18 ISSUED BY INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA IS GIVEN BELOW :

A) ASSOCIATES

Oswal Woollen Mills 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,

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

Nagdevi Trading and Investment Co Ltd, Palam Motels Ltd, White Tiger Breweries and Distilleries Ltd, Shri Atam Fabrics Ltd and Hug Foods Ltd.

B) KEY MANAGEMENT PERSONNEL

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

C) TRANSACTION DURING THE YEAR WITH ASSOCIATES

	<u>31.03.2014</u>	<u>31.03.2013</u>
I) INTEREST RECEIVED ON INTER CORPORATE DEPOSITS PLACED	6,765,806.00	5,752,870.00
II) T.D.S. Deducted	676,581.00	575,287.00
III) INTERCORPORATE DEPOSITS PLACED DURING THE YEAR	26,500,000.00	8,500,000.00
IV) INTERCORPORATE DEPOSITS REALISED	4,000,000.00	29,100,000.00
OUTSTANDING BALANCE DUE	81,602,460.00	53,013,235.00
INTEREST RECEIVABLE	NIL	NIL

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

Note No. 18 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.

	<u>31.03.2014</u>	<u>31.03.2013</u>
No of Equity Share (Rs.10/- each)	2223914	2223914
Profit/Loss after Tax	Rs. 20,910,912.18	12,118,728.31
Earning per Shares (Basic& Diluted)	Rs. 9.40	5.45

Note No. 19 Transfer to Statutory Reserve Fund

A sum of Rs.41,83,000/- (Previous Year Rs.24,25,000/-) 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 31.03.2014.

Note: 20

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

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

Note: 21 Provision for Standard Asset

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

Note No. 22 Provision for Doubtful Debt

As per RBI Guideline a Provision of 10% of Doubtful Debt has been created.

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

FOR KOVALAM INVESTMENT AND TRADING CO LTD

Sd/-
(VINOD KUMAR KHANNA)
PARTNER
Membership No. 81585
PLACE : LUDHIANA
DATED : 30.05.2014

Sd/-
(NAVDEEP SHARMA)
DIRECTOR

Sd/-
(GAGNISH BHALLA)
DIRECTOR

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

ANNEXURE OF NOTE NO. 6

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
			2014	2013			2014	2013		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

A. Details of Trade Investments

a) Investment in Equity Instruments

1	Oswal Leasing Ltd	Associates	14200	14200	Quoted	Fully Paid	142,668.00	142,668.00	Yes	N.A.	
2	Nahar Capital and Financial Services Ltd	Associates	371527	371527	Quoted	Fully Paid	10,851,859.42	10,851,859.42	Yes	N.A.	
5	Vardman Investments Limited	Associates	11	11	Un-quoted	Fully Paid	102.00	102.00	Yes	N.A.	
6	Atam Vallabh Financiers Ltd	Associates	11	11	Un-quoted	Fully Paid	101.00	101.00	Yes	N.A.	
7	Ludhiana Holdings Ltd	Associates	NIL	1	Un-quoted	Fully Paid	NIL	102.00	Yes	N.A.	
8	Nagdevi Trading and Investment Co Ltd	Associates	3350	3350	Un-quoted	Fully Paid	50,000.00	50,000.00	Yes	N.A.	
9	Palam Motels Ltd	Associates	75	75	Un-quoted	Fully Paid	109,671.00	109,671.00	Yes	N.A.	
Total Trade Investments 'A'								11,154,401.42	11,154,503.42		

B. Details of Other Investments

a) Investment in Equity Instruments

1	Nahar Spinning Mills Ltd	Associates	381911	381911	Quoted	Fully Paid	10,266,798.44	10,266,798.44	Yes	N.A.
2	Nahar Industrial Enterprises Ltd	Associates	1989620	1926602	Quoted	Fully Paid	56,093,573.41	52,639,174.76	Yes	N.A.
3	Nahar Poly Films Ltd	Associates	213037	213037	Quoted	Fully Paid	1,329,538.49	1,329,538.49	Yes	N.A.
4	SRF Ltd	Others	49	49	Quoted	Fully Paid	166.39	166.39	Yes	N.A.
5	Kirloskar Pneumatic Co Ltd	Others	1	1	Quoted	Fully Paid	60.00	60.00	Yes	N.A.
6	Mahanagar Telephone Nigam Ltd	Others	55500	55500	Quoted	Fully Paid	8,858,915.66	8,858,915.66	Yes	N.A.

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

ANNEXURE OF NOTE NO. 6

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
			2014 (4)	2013 (5)			2014 (8)	2013 (9)		
(1)			(3)		(6)	(7)	(8)	(9)	(10)	(11)
7	Reliance Communications Ltd	Others	12000	12000	Quoted	Fully Paid	4,215,243.07	4,215,243.07	Yes	N.A.
8	IDBI Bank Ltd	Others	50000	50000	Quoted	Fully Paid	6,237,989.45	6,237,989.45	Yes	N.A.
9	Jindal Saw Ltd	Others	12500	12500	Quoted	Fully Paid	1,748,947.85	1,748,947.85	Yes	N.A.
10	Morepen Laboratories Ltd	Others	NIL	50000	Quoted	Fully Paid	NIL	837,799.48	Yes	N.A.
11	Noida Toll Bridge Ltd	Others	25000	25000	Quoted	Fully Paid	1,323,725.67	1,323,725.67	Yes	N.A.
12	Steel Authority of India Ltd	Others	12000	12000	Quoted	Fully Paid	2,161,977.57	2,161,977.57	Yes	N.A.
13	Steel Strips Wheels Ltd	Others	5000	5000	Quoted	Fully Paid	1,077,601.55	1,077,601.55	Yes	N.A.
14	White Tiger Breweries & Distilleries Ltd	Associates	50000	50000	Un-quoted	Fully Paid	653,059.00	653,059.00	Yes	N.A.
15	Shri Atam Fabrics Ltd	Associates	8000	8000	Un-quoted	Fully Paid	80,180.00	80,180.00	Yes	N.A.
16	Hug Food Private Limited	Associates	450000	450000	Un-quoted	Fully Paid	4,500,000.00	4,500,000.00	Yes	N.A.
17	Hexa Tradex Ltd	Others	NIL	2500	Quoted	Fully Paid	NIL	NIL	Yes	N.A.
18	*Oswal Woollen Mills Limited	Associates	45.00	NIL	Un-quoted	Fully Paid	102.00	NIL		
TOTAL: - I							98,547,878.55	95,931,177.38		

*Note: As per Punjab & Haryana High Court, Chandigarh Order dated 28.03.2014, Ludhiana Holdings Limited has been merged in Oswal Woollen Mills Limited accordingly 45 Equity Shares of Rs. 10/- each fully paid up issued in lieu of 1 Equity Share of Rs. 100/- each fully paid up of Ludhiana Holdings Limited.

b) Investment in Preference Shares

Raj & Sandeep Private Limited	Others	50	50	Un-quoted	Fully Paid	5,000.00	5,000.00	Yes	N.A.
TOTAL: - II						5,000.00	5,000.00		
Total Other Investment 'B' (I + II)						98,552,878.55	95,936,177.38		
GRAND TOTAL: - (A + B)						109,707,279.97	107,090,680.80		

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

(4) Break-up of Investments:

Current Investments:

1. Quoted:

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

2. Unquoted:

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

Long Term investments:

1. Quoted

(1) Shares	(a) Equity	104309065	101692466
	(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:

(1) 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)		109707280	107090681
GRAND TOTAL (A + B)		109707280	107090681

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

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

Category	Amount net of provisions					
	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related parties		81602460	81602460		53013235	53013235
2. Other than related parties		2000000	2000000		NIL	NIL
Total		83602460	83602460		53013235	53013235

(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	169306559	84077653	122981201	80623254
2. Other than related parties	8572077	25629627	8992268	26467427
Total	177878636	109707280	131973469	107090681

(7) Other information

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

Notes:

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