

# KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

**32<sup>nd</sup>**

**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

**32<sup>nd</sup> ANNUAL GENERAL MEETING**

Day : Tuesday  
Date : 30<sup>th</sup> 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

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CIN NO. : L65910PB1981PLC023058

EMAIL : [kovalam@owmnahar.com](mailto:kovalam@owmnahar.com)

TELE : 01615066605

### **NOTICE**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of Kovalam investment & Trading Company Limited will be held at Regd. Office of the Company on Tuesday the 30<sup>th</sup> 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/-

Place: Ludhiana  
Dated: 01.09.2014

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.
3. The register of members and share transfer books of the company shall remain closed from 27<sup>th</sup> September 2014 to 30<sup>th</sup> 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@owmnahar.com](mailto:kovalam@owmnahar.com)

TELE : 01615066605

## **DIRECTOR'S REPORT**

### **TO THE MEMBERS:-**

Your directors present the 32<sup>nd</sup> Annual Report together with the audited accounts of the company for the year ended 31<sup>st</sup> 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
<b>Less</b> : Provision for income tax	(6820156)	(5394110)
Deferred Tax Liability / Assets	126560	(19620)
Profit after Tax for the year	20910912	12118728
<b>Add</b> : 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	<b>21373953</b>	<b>4642392</b>

### **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 31<sup>st</sup> 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



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**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 31<sup>st</sup> 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 08<sup>th</sup> April, 2013, 11<sup>th</sup> May, 2013, 10<sup>th</sup> June, 2013, 20<sup>th</sup> June, 2013, 25<sup>th</sup> July, 2013, 8<sup>th</sup> August, 2013, 12<sup>th</sup> August, 2013, 26<sup>th</sup> August, 2013, 16<sup>th</sup> September, 2013, 1<sup>st</sup> October, 2013, 14<sup>th</sup> November, 2013, 4<sup>th</sup> January, 2014, 8<sup>th</sup> February, 2014 and 26<sup>th</sup> 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 26<sup>th</sup> September, 2013 to 28<sup>th</sup> 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 31<sup>st</sup> March, 2013 of the company was held on 28<sup>th</sup> 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.