

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 the Company's website i.e. www.owmnahar.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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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.