

# KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

34<sup>th</sup>

Annual  
Report  
**2015-16**

## **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

## **34<sup>th</sup> ANNUAL GENERAL MEETING**

Day : Friday

Date : 30<sup>th</sup> September, 2016

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 34<sup>th</sup> Annual General Meeting of the members of Kovalam investment & Trading Company Limited will be held at Regd. Office of the Company on Friday the 30<sup>th</sup> day of September 2016 at 4:00 PM to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone as well as consolidated financial statements for the financial year ended on 31.03.2016 and the Reports of Board of Directors and Auditors thereon.
2. To appoint Director in place of Smt Ruchika Oswal ( DIN No.00565979) who retires by rotation and being eligible, offers herself for re-appointment
3. To appoint Auditors of the Company for the financial year 2016-17 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

- 4 To adopt new Articles of Association of the Company containing regulation in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**For and on behalf of the Board**

**Sd/-**

**Palce: Ludhiana  
Date : 02.09.2016**

**Navdeep Sharma  
Chairman  
( DIN :0454285)**

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
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 Explanatory 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 20<sup>th</sup> September 2016 to 22<sup>nd</sup> September 2016 (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 2015-16 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 Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with the Rule 20 of 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 electronically.
14. Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website i.e. [www.owmnahar.com](http://www.owmnahar.com). The above said Notice will also be available on the website of CDSL i.e. [www.cdslindia.com](http://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. To avail the facility of nomination the members are requested to send us duly filled and signed nomination form ( Form No. SH- 13.)
19. **The instructions for shareholders voting electronically are as under:**
  - (i) The voting period begins on 27.09.2016 from 9.00 AM and ends on 29.09.2016 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 23.09.2016, 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 again at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat

	shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use 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</li> <li>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</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>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).</li> </ul>

- (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 login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android, Apple and Windows based mobiles. The m- Voting app can be downloaded from Google Play Store, App Store and the Windows Phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **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](http://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](mailto: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 Linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xxi) 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 23.09.2016 may follow the same

instructions as mentioned above for e-Voting.

- (xxii) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other instructions:**

- (xxiii) Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut off date.
- (xxiv) Mr. P.S. Dua, Practicing Company Secretary (Membership NO. FCS 4552), will act as a Scrutinizer to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).
- (xxv) The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not alter than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favour or against, if any, forthwith to the Chairman of the Company.
- (xxvi) The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. [www.owmnaahar.com](http://www.owmnaahar.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
- (xxvii) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 34<sup>th</sup>. Annual General Meeting i.e. 30<sup>th</sup>. September, 2016.
- (xxviii) A person who is not a Member as on the cut off date i.e. 23<sup>rd</sup> September, 2016 should treat this Notice for information purposes only.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM NO:4**

At present, the set of Articles of Association of the Company, is in accordance with the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the new Companies Act, 2013. With the applicability of the most of the sections of the Companies Act, 2013 pursuant to the notifications of Ministry of Corporate Affairs dated September, 12,2013 and March 26,2014, several regulations of the existing Articles of Association of the Company requires alteration / deletion of several Articles. Hence, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares. The draft Article of Association shall be placed before the meeting. The Board accordingly recommends the special resolution mentioned at item No.4 of this Notice for your approval.

**For and on behalf of the Board**  
**Sd/-**

**Palce: Ludhiana**  
**Date : 02.09.2016**

**Navdeep Sharma**  
**Chairman**  
**(DIN : 00454285)**

## DIRECTOR'S REPORT

To the members

Your directors present the 34<sup>th</sup> Annual Report together with the audited accounts of the company for the year ended 31<sup>st</sup> March 2016.

## WORKING RESULTS

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

	(Amount in Rupees)	
	Year Ended 31.03.2016	Year Ended 31.03.2015
Gross Income	24584432	35722927
Profit before tax	23189019	32427369
<b>Less</b> : Provision for income tax	(6666678)	(10538000)
Profit after Tax for the year	16522341	21889369
<b>Add</b> : Balance B/F from previous year	38849412	21373953
Available for appropriation	55371753	43263322
Income tax adjustments for prior periods	27249	(35910)
Transferred to Statutory Reserve Fund	(3305000)	(4378000)
Balance carried forward	<b>52094002</b>	<b>38849412</b>

## OPERATIONS

During the year under review the company's funds remained invested in Shares, Loans and Advances. The dividend income earned was Rs.10,89,447/- (previous year 31,09,861/-). The interest income earned was Rs.1,09,57,324 /- (previous years Rs. 97,65,532 /-). During the year the company also earned brokerage income of Rs 1,02,91,960 /- (net of service tax) on mobilization of funds of third parties (previous year 2,28,22,533/-).

## 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 31<sup>st</sup> March, 2016 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

Smt. Ruchika Oswal (DIN: 00565979) director of the company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself for reappointment. The board recommended her re- appointment to the members of the company at the ensuing Annual General Meeting.

## 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 MEETINGS OF THE BOARD

During the year eight meetings of the board were convened and held on 11.05.2015, 29.05.2015, 12.08.2015, 03.09.2015, 16.09.2015, 09.11.2015, 12.12.2015, 12.02.2016,. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

The company's Independent Directors held their meeting on 09.11.2015 without the attendance of Non Independent Directors and members of the management. All Independents Directors were present at the meeting and, they:

- 1 Reviewed the performance of non-Independent directors and the Board as a whole;
- 2 Assessed the quality and timeliness of the flow of information between the company's Management and the Board which is necessary for the Board to effectively and reasonably perform their duties

## 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.

**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 31.03.2016.

**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 31<sup>st</sup> March, 2016, 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 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that annual accounts have been prepared on a going concern basis.
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is enclosed to this Report as Annexure--1 and forms an integral part of this Report.

**RELATED PARTY TRANSACTIONS**

The related party transactions have been elaborated and listed out in the financial statements at Note No. 16 and which are at arms length price.

**AUDIT COMMITTEE**

The Company has constituted an Audit Committee pursuant to Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

Presently, the Audit Committee consists of Navdeep Sharma, Gagnish Bhalla who are independent Directors and Sh. Pawan Kumar Sharma who is non Executive director.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company is having adequate internal control systems and procedures which commensurate with the size of the Company. The Company is having Internal Audit Department which ensures that the internal control systems are properly followed by all concerned departments of the Company

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The CSR is not applicable to the Company.

**NOMINATION AND REMUNERATION COMMITTEE AND POLICY.**

As required u/s 178 of the Companies Act 2013, the company has constituted nominations & remuneration committee. Presently the committee comprises of two independent directors Sh.Navdeep Sharma and Sh. Gagnish Kumar Bhalla and Sh. Pawan Kumar Sharma as non Executive Director. Further, on the recommendation of Nomination and Remuneration Committee, the board has already framed a policy for selection and appointment of Directors, Key Management Personnels & Senior Management and their remuneration.

**SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s P.S Dua & Associates ,Company Secretaries in wholetime Practice to undertake the Secretarial Audit. The Secretarial Audit Report in form MR-3 is enclosed herewith as Annexure- 2 and forms an integral part of this Report. The report is self explanatory.

**LISTING AGREEMENT**

To streamline the provisions of the Listing Agreement and its better enforceability the Securities and Exchange Board of India (SEBI), on September, 2, 2015 issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The



said Regulation became effective from 1<sup>st</sup>. December, 2015. In compliance of the said Regulations, the company has entered into Listing Agreement with the BSE Ltd. on 23<sup>rd</sup>. February, 2016.

### DEMATERIALISATION OF SECURITIES

Your Company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. The shareholders who have not gone in for dematerialization of shares till date, are requested to opt for dematerialization of the shares at the earliest.

Further, as per SEBI circular No. D&CC/FITTC/CIR-15/2002 dated 27<sup>th</sup>. December, 2002, Company has appointed M/s. Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar of below mentioned address:

M/s. Alankit Assignments Limited  
(Unit: Kovalam Investment & Trading Co. Ltd.)  
Alankit House, 1E/13, Jhandewalan  
Extension  
New Delhi-110 055

Telephone No. : (011) 42541234  
Fax No. : (011) 42541201  
E-mail address : [rta@alankit.com](mailto:rta@alankit.com)

In case any query/complaint remains unresolved with our Registrar please write to Company at the Registered Office of the Company.

### ASSOCIATE COMPANIES

The company has one Associate company i.e Hug Foods Pvt Ltd, as per section 2(6) of the Companies Act, 2013.

### AUDITORS & AUDITOR'S REPORT

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

The Company has obtained from the auditors a written consent and a certificate as required under Section 139 the Companies Act, 2013 to the effect that their re-appointment, if made, would be within the limits and in accordance with the conditions specified under section 141(3) (g) of the Companies Act, 2013.

The Auditor's Report on the Accounts of the Company for the year under review is self explanatory and requires no comments.

### KEY MANAGERIAL PERSONNEL

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

### PARTICULARS OF EMPLOYEES

None of the employees of the Company is covered under section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment & remuneration of managerial personnel) rules.

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

The information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, are not applicable and hence no disclosure is required.

### LISTING FEES

Your company's shares are listed on the Stock Exchange, Mumbai and the listing fee for the financial year 2016-2017 has been paid.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board

Pace : Ludhiana

Date : 02.09.2016

Sd/-  
Navdeep Sharma  
Chairman  
( DIN : 0454285)

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**KOVALAM INVESTMENT AND TRADING COMPANY LIMITED**

**(CIN: L65910PB1981PLC023058)**

**Premises Oswal Woollen Mills Limited**

**G T Road, Sherpur, Ludhiana.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOVALAM INVESTMENT AND TRADING COMPANY LIMITED** (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under were not attracted during the audit period as there was no instance of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as informed to us.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable as the Company has not issued any securities during the audit period;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company has not granted any options to its employees during the audit period;