

KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

36th
Annual
Report
2017-18

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. YAPL & Co.
Chartered Accountants,
102-Kismat Complex,
G.T. Road, Miller Ganj,
LUDHIANA – 141 003

36th ANNUAL GENERAL MEETING

Day : Friday

Date : 28th September, 2018

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 36th Annual General Meeting of the members of Kovalam investment & Trading Company Limited will be held at Regd. Office of the Company i.e at the premises of Oswal Woollen Mills Ltd, G.T Road, Sherpur, Ludhiana, on Friday the 28th day of September 2018 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 31.03.2018 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 ratify the appoint of Statutory Auditors of the Company, and to fix their remuneration.

The shareholders are requested to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:

RESOLVED THAT, pursuant the provisions of Sections 139 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 made there under, as amended from time to time, the Company hereby ratifies the appointment of YAPL & CO, Chartered Accountants (Firm registration number : 017800N as the statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting(AGM) till the conclusion of 37th Annual General Meeting of the Company, at such remuneration and other expenses as mutually agreed by the audit committee and the Auditors

SPECIAL BUSINESS:

4. **To appoint Mr Navdeep Sharma (DIN: 0454285) 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 a **Special 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 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time

being in force), Mr Navdeep Sharma (DIN: 0454285), who was appointed as an Independent Director of the Company for a period of 3 years i.e. up to the conclusion of 36th Annual General Meeting and in respect of whom the Company has received a notice u/s 160 of the Act in writing from a member proposing her candidature for the office of director of the Company in independent category, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold the office for a period of three consecutive years i.e up to the conclusion of 39th.Annual General Meeting to be held in the year 2021.

“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 Mr 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 a **Special 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 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Gagnish Kumar Bhalla (DIN: 00468806), who was appointed as an Independent Director of the Company for a period of 3 years i.e. up to the conclusion of 36th Annual General Meeting and in respect of whom the Company has received a notice u/s 160 of the Act in writing from a member proposing her candidature for the office of director of the Company in independent category, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold the office for a period of three consecutive years i.e up to the conclusion of 39th.Annual General Meeting to be held in the year 2021.

“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/-
Navdeep Sharma
Chairman
(DIN :0454285)

Palce: Ludhiana
Date : 03.09.2018

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 duly signed, stamped and completed and should 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.

In terms of section 105 of the Companies Act, 2013, 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. Pursuant to section 113 of Companies Act, 2013 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. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

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 22nd September 2018 to 24th September 2018 (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 AM to 1.00 P M upto the date of annual general meeting.

8. Electronic copy of the Annual Report for the year 2017-18 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. The details of Directors seeking Appointment / Re-appointment at the AGM as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard-2 is annexed herewith as **Annexure-A**.

14. 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.

15. Notice of the 36th Annual General Meeting and the Annual Report for the financial year 2017-18 will also be available on the Company's website i.e. www.ownahar.com. The above said Notice will also be available on the website of CDSL i.e. www.cdslindia.com.

16. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all Members holding shares in physical form. Therefore, the Members are requested to submit their PAN and Bank Account details either to the

Company or to the Registrar and Share Transfer Agent (RTA) of the Company. In this regard, the Members are requested to submit a duly signed letter alongwith self-attested copy of PAN Card(s) of all the registered Members (including joint holders) alongwith original cancelled cheque/ a copy of Bank Passbook duly attested by the Bank, not being a date earlier than one month bearing the name of the sole / first holder. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant(s).

17. As per Regulation 40(7) of the Listing Regulations read with Schedule VII to the said Regulations, for registration of transfer of shares and for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the Company / RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominee(s).

18. 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.

19. 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.

20. Members are requested to notify the change in their address, if any, to the company at the earliest.

21. To avail the facility of nomination the members are requested to send us duly filled and signed nomination form (Form No. SH- 13.)

22 The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25.09.2018 from 9.00 AM and ends on 27.09.2018 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 21.09.2018, 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.

- (iv) Click on Shareholders.

- (v) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- 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)	<p>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.</p> <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 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 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 Linked in the login 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.

(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 21.09.2018 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 under help section or write an email to 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.owmnahar.com and on the website of CDSL i.e. www.cdslinida.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 36th. Annual General Meeting i.e. 28th. September, 2018.
- (xxviii) A person who is not a Member as on the cut off date i.e 21st September, 2018 should treat this Notice for information purposes only.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No 4 & 5

Pursuant to the provisions of section 149 of the Companies Act, 2013 (the Act), the shareholders of the company in their 33rd. Annual General Meeting held on 30.09.2015 had appointed Sh Navdeep Sharma (DIN : 0454285) and Sh Gagnish Kumar Bhalla (DIN : 00468806) as independent Directors of the Company, not liable to retire by rotation, for a period of three years i.e. up to the conclusion of 36th Annual General Meeting.

As per Section 149(10) of the Companies Act, 2013, an independent Director shall be eligible for re-appointment on passing a special resolution by the Company.

Pursuant to the provisions of Sections 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has recommended to the board regarding the re-appointment of Sh Navdeep Sharma (DIN : 00454285) and Sh Gagnish Kumar Bhalla (DIN : 00468806) as independent Directors, subject to the approval of the shareholders, for a further period of three years i.e. up to the conclusion of the 39th. Annual General Meeting to be held in the year 2021.

The Company has received consent in Form DIR-2 and declaration in form DIR-8 from Sh Navdeep Sharma (DIN : 0454285) and Sh Gagnish Kumar Bhalla (DIN : 00468806), in compliance of the Act. These directors have given declaration(s) to the Board that they meet the criteria of independence as provided under section 149 of the Act. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules framed there under for re-appointment as Independent Director(s) and they are independent of the management.

The Company has received a notice pursuant to section 160 of the Act from member(s) proposing their candidature for the office of Director. The performance of these directors was evaluated through a structured evaluation process as per the Policy for evaluation of Independent Directors. The Board considers that the continued association of these independent directors would be beneficial to the Company and it is desirable to avail the services of Sh Navdeep Sharma (DIN :0454285) and Sh Gagnish Kumar Bhalla (DIN:00468806) as independent directors

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(s).

Accordingly, the Board recommends the resolution at item(s) no.4, and 5 of this notice for the approval of members as a special resolution. Brief particulars of these directors have been mentioned in Annexure-A to this notice.

For and on behalf of the Board

Sd/-
Navdeep Sharma
Chairman
(DIN :0454285)

Palce: Ludhiana
Date : 03.09.2018

ANNEXURE – A
BRIEF PROFILE OF DIRECTORS BEING EAPPOINTEDA AS SET OUT IN THE NOTICE

Names	Smt. Ruchika Oswal (DIN : 00565979)			Sh Navdeep Sharma (DIN : 00454285)			Sh Gagnish Kumar Bhalla (DIN : 00468806)		
Designation	Non-Executive Director			Independent Director			Independent Director		
Date of birth/ age	25.02.1972/ 46 Years			02.06.1959/ 59 Years			24.01.1959 / 59 Years		
Date of appointment	27.03.2015			31.03.2006			06.04.1996		
Qualification	Bachelor's Degree in Commerce from the Government College for Women, Punjab University			Bachelor's Degree in Commerce			Graduate		
Experience	More than 18 years of experience in the field of Manufacturing & Administration.			More than 36 years of experience in the field of taxation			More than 37 years of experience in the field of Administration.		
Terms of appointment	Non-Executive Director liable to retire by rotation			3 years			3 years		
Disclosure of relationship:	Smt. Ruchika Oswal is not related to any of the other Director and Key Managerial Personnel of the Company.			Sh Navdeep Sharma is not related to any of the other Director and Key Managerial Personnel of the Company			Sh Gagnish Kumar Bhalla is not related to any of the other Director and Key Managerial Personnel of the Company		
Shareholding:	NIL Equity Shares			NIL Equity Shares			NIL Equity Shares		
No. of Board Meetings attended during the year:	7			7			7		
Other Directorships:	1. Girnar Investment Limited 2. Sidhant and Mannat Co. Limited 3. Simran and Shanaya Co. Limited 4. Ruchika Growth Fund Pvt. Ltd. 5. MonteCarlo Fashions Ltd 6. Suvrat Trading Co. Limited			1 Nahar Industrial Enterprises Ltd. 2 Nahar Industrial Infrastructure Corpn. Ltd. 3Vanaik Investors Ltd. 4 Nagdevi Trading & Investment Co. Ltd. 5 J L Growth Fund Ltd. 6 Oswal Leasing Ltd. 7 Palam Motels Ltd. 8 Vanaik Spinning Mills Ltd. 9 Nahar Financial and Investment Ltd. 10 Abhilash Growth Fund Pvt. Ltd. 11 Nahar Growth Fund Pvt. Ltd. 12 Monica Growth Fund Pvt. Ltd. 13 Ruchika Growth Fund Pvt. Ltd. 14 Neha Credit & Investment Pvt. Ltd. 15 Vigil Investment Pvt. Ltd. 16 Marble E-Retail Pvt. Ltd. 17 Kovalam Investment & Trading Company Ltd			1 Shri Atam Fabrics Ltd 2 White Tiger Breweries and Distillaries Ltd 3 Cabot Trading & Investment Co. Pvt Ltd. 4 Nagdevi Trading & Investment Co. Ltd. 5 J L Growth Fund Ltd. 6 Bermuda Insurance Brokers Pvt Ltd 7 Palam Motels Ltd. 8 Vanaik Spinning Mills Ltd. 9 Nahar Financial and Investment Ltd. 10 Abhilash Growth Fund Pvt. Ltd. 11 Nahar Growth Fund Pvt. Ltd. 12 Monica Growth Fund Pvt. Ltd. 13 Ruchika Growth Fund Pvt. Ltd. 14 Neha Credit & Investment Pvt. Ltd. 15 Vigil Investment Pvt. Ltd. 16 Oswal Woollen Mills Ltd 17 Marble E-Retail Pvt. Ltd. 18 Kovalam Investment & Trading Company Ltd		
Other Committee Membership/ Chairmanship:	Name of the Company	Name of the Committee	Designation	Name of the Company	Name of the Committee	Designation	Name of the Company	Name of the Committee	Designation
	NIL		Oswal Leasing Ltd	Audit committee	Member				
				Stakeholder Relationship	Chairman				
			Vanaik Spinning Mills Ltd	Audit committee	Member	Vanaik Spinning Mills Ltd	Audit committee	Chairman	
				Nomination & Remuneration Committee	Chairman		Nomination & Remuneration Committee	Member	
			Kovalam Investment & Trading Co. Ltd	Audit committee	Chairman	Kovalam Investment & Trading Co. Ltd	Audit committee	Member	
				Stakeholder Relationship	Chairman		Stakeholder Relationship	Member	
				Nomination & Remuneration Committee	Chairman		Nomination & Remuneration Committee	Member	

DIRECTOR'S REPORT

To the members

Your directors present the 36th Annual Report together with the audited accounts of the company for the year ended 31st March 2018.

WORKING RESULTS

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

(Amount in Rupees)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Gross Income	25499004	24806079
Profit before tax	21243077	16480486
Less : Provision for income tax	(4911006)	(6315375)
Less : Deferred Tax	(602194)	----
Profit after Tax for the year	15729877	10165111
Add : Balance B/F from previous year	60225116	52094002
Available for appropriation	75954993	62259113
Income tax adjustments for prior periods	(200)	3
Transferred to Statutory Reserve Fund	(3150000)	(2034000)
Balance carried forward	72804793	60225116

OPERATIONS

During the year under review the company's funds remained invested in Shares, Loans and Advances. The dividend income earned was Rs.5431537/- (previous year 3393683/-). The interest income earned was Rs.10891478/- (previous years Rs. 11267246/-). During the year the company also earned brokerage income of Rs 9069189/- (net of service tax) on mobilization of funds of third parties (previous year 9982911/-).

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, 2018 remained unchanged and 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.

Further, pursuant to the provisions of Sections 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has recommended to the board regarding the re-appointment of Sh Navdeep Sharma (DIN : 00454285) and Sh Gagnish Kumar Bhalla (DIN : 00468806) as independent Directors, subject to the approval of the shareholders, for a further period of three years i.e. up to the conclusion of the 39th. Annual General Meeting to be held in the year 2021.

Keeping in view the performance of these directors the Board considered that the continued association of these independent directors would be beneficial to the Company and it is desirable to avail the services of Sh Navdeep Sharma (DIN :0454285) and Sh Gagnish Kumar Bhalla (DIN:00468806) as independent directors

Accordingly, the Board has recommended for the approval of members as a special resolution.

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 seven meetings of the board were convened and held on 28.04.2017, 29.05.2017, 12.08.2017, 01.09.2017, 14.09.2017, 14.11.2017, and 12.02.2018. 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 14.11.2017 without the attendance of Non Independent Directors and members of the management. All Independent 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 was not applicable to our company for the FY 2017-18 as the paid up capital reserves and surpluses were below the prescribed limit as per audited Balance Sheet as at 31.03.2017 And if at any time it becomes applicable at any date then compliance with corporate governance provisions /regulations will be done within six months from such date..

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, 2018, 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, 2018 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.