

The Sportking logo is positioned in the upper right corner of the page. It features the word "Sportking" in a bold, blue, sans-serif font with a white outline. The letter "o" is replaced by a circular icon containing a stylized red and blue globe. The background behind the logo is a green and white geometric design.The text "28<sup>th</sup> ANNUAL Report 2016-17" is located in the bottom left corner. "28<sup>th</sup>" is written in a large, white, outlined font. "ANNUAL" is in a bold, red, outlined font. "Report 2016-17" is in a smaller, white, cursive font. The background is a photograph of a blue and white building with palm trees in the foreground.The text "SPORTKING INDIA LIMITED" is located at the bottom center of the page. It is written in a bold, blue, sans-serif font with a white outline. The background is a photograph of a blue and white building with palm trees in the foreground.

## BOARD OF DIRECTORS

Sh. Raj Kumar Avasthi  
Sh. Munish Avasthi  
Sh. Naresh Kumar Jain  
Sh. Sunil Puri  
Sh. Prashant Kochhar  
Smt. Harbhajan Kaur Bal

Chairman & Managing Director  
Managing Director  
Executive Director  
Director  
Director  
Director

### CHIEF FINANCIAL OFFICER

Sh. Parveen K. Gupta

### COMPANY SECRETARY

Sh. Nikhil Kalra

### AUDITORS

M/s Rawla & Company  
Chartered Accountants,  
504, Surya Kiran Building,  
19, K. G. Marg, New Delhi

### BANKERS

#### State Bank of India

IFB Branch, Golden Tower,  
Dholewal Chowk,  
Ludhiana-141003

#### State Bank of Patiala

Specialized Commercial Branch,  
Aarti Complex, Miller Ganj,  
Ludhiana-141003

#### Punjab National Bank

International Banking Branch,  
Industrial Area-A, Ludhiana-141003

#### Allahabad Bank

IFB Branch, Cheema Chowk  
Ludhiana-141008

#### Central Bank of India

Mid Coprorate Branch,  
369, R.K.Road, Ind Area-A,  
Ludhiana-141008

#### Punjab and Sind Bank

Industrial Finance Branch  
Dholewal Chowk, Ludhiana-141003

### REGISTERED OFFICE

5/69, Guru Mansion, (First Floor)  
Padam Singh Road, Karol Bagh,  
New Delhi - 110005

### CORPORATE OFFICE

Village Kanech, Near Sahnewal, G. T. Road,  
Sahnewal. G. T. Road, Ludhiana-141120

### ADMINISTRATIVE OFFICE

178, Col. Gurdial Singh Road,  
Civil Lines, Ludhiana - 141001

### WORKS

Village Kanech, Near Sahnewal,  
G. T. Road, Ludhiana - 141120

Village Barmalipur, Near Doraha,  
G. T. Road, Ludhiana- 141416

Village Jeeda, Kotkapura Road,  
Distt. Bathinda - 151201

### REGISTRAR & TRANSFER AGENT

*Beetal Financial & Computer Services (P) Ltd.*  
*BEETAL HOUSE, 3RD Floor, 99 Madangir,*  
*Near Dada Harsukhdas Mandir*  
*New Delhi - 110062*

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**NOTICE**

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting of the members of Sportking India Limited** will be held on Saturday, the **9th day of September, 2017 at 2.00 P.M.** at Registered Office of the company situated at 5/69, Guru Mansion, 1st Floor, Padam Singh Road, Karol Bagh, New Delhi-110005 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, including the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Munish Avasthi (DIN 00442425), who retires by rotation and being eligible, offers himself for re- appointment.
3. **To appoint Statutory Auditors of the Company and fix their remuneration**

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 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force), M/s S. C. Vasudeva & Company, Chartered Accountants (Firm Registration Number 000235N) be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

**SPECIAL BUSINESS**

4. **Ratification of the remuneration of the Cost Auditors for Financial Year 2017-18**

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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s R.R. & Co, Cost Accountants (Firm Registration Number 00323) appointed by the board of directors as cost auditors of the company, to conduct the audit of the cost records of the company for the financial year ending 31st March 2018, be paid remuneration of Rs. 75000/- plus applicable taxes."

5. **Re-appointment and Payment of Remuneration to Sh. Raj Kumar Avasthi (DIN 01041890), as Managing Director of the Company**

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 recommendations of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s)

or re-enactment(s) thereof) read with Schedule - V of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Sh. Raj Kumar Avasthi, as Managing Director of the Company for a further period of five years with effect from October 1, 2017 to September 30, 2022, as well as the payment of salary and perquisites (hereinafter referred to as "remuneration") to him, as set out below:

Gross Salary - Salary in the scale of Rs. 1000000-1000000-1400000 per month.

Perquisites - The following perquisites shall be allowed which will be included in gross salary except those prescribed under Section IV of Part II of Schedule V of the Companies Act, 2013:

- a. Housing - Free furnished residential accommodation along with other amenities. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
- b. Medical Reimbursement- Expenses incurred by the appointee (including Mediclaim insurance premium) on self and his family will be subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- c. Leave Travel concession - The expenses incurred on Leave Travel Concession by the appointee on self and his family shall be reimbursed once in a year.
- d. Club Fees -Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- e. Personal Accident Insurance- Premium not to exceed Rs. 5000/- per annum.
- f. Provident Fund -Contribution to provident fund, superannuation funds or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- g. Gratuity -Gratuity payable shall not exceed half a month's salary for each completed year of service.
- h. Car - Free use of company's car for official as well as personal purposes along with driver.
- i. Telephone/Cell phone - Free use of company's telephone at residence/cell phone for official as well as personal purposes.

**Explanation**-Family means the spouse, the dependent children and dependent parents of the Managing Director.

**Minimum Remuneration** - Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, the company will pay remuneration in accordance with the provisions as required under Clause A of Section II of Part II of the Schedule V and other applicable provisions of the Companies Act, 2013 during the period from 1st October 2017 to 30th September, 2020 and during the remaining term of Managing Director, the payment of minimum remuneration, if required, will again be reviewed/considered by the board of directors/members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**6. Re-appointment and Payment of Remuneration to Sh. Munish Avasthi (DIN 00442425), as Managing Director of the Company**

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 recommendations of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) read with Schedule - V of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Sh. Munish Avasthi, as Managing Director of the Company for a further period of five years with effect from October 1, 2017 to September 30, 2022, as well as the payment of salary and perquisites (hereinafter referred to as "remuneration") to him, as set out below:

Gross Salary - Salary in the scale of Rs. 1000000-100000-1400000 per month.

Perquisites - The following perquisites shall be allowed which will be included in gross salary except those prescribed under Section IV of Part II of Schedule V of the Companies Act, 2013:

- a. Housing - Free furnished residential accommodation along with other amenities. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
- b. Medical Reimbursement- Expenses incurred by the appointee (including Mediclaim insurance premium) on self and his family will be subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- c. Leave Travel concession - The expenses incurred on Leave Travel Concession by the appointee on self and his family shall be reimbursed once in a year.
- d. Club Fees -Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- e. Personal Accident Insurance- Premium not to exceed Rs. 5000/- per annum.
- f. Provident Fund -Contribution to provident fund, superannuation funds or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- g. Gratuity -Gratuity payable shall not exceed half a month's salary for each completed year of service.
- h. Car - Free use of company's car for official as well as personal purposes along with driver.
- i. Telephone/Cell phone - Free use of company's telephone at residence/cell phone for official as well as personal purposes.

**Explanation**-Family means the spouse, the dependent children and dependent parents of the Managing Director.

**Minimum Remuneration** - Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, the company will pay remuneration in accordance with the provisions as required under Clause A of Section II of Part II of the Schedule V and other applicable provisions of the Companies Act, 2013 during the period from 1st October 2017 to 30th September, 2020 and during the remaining term of Managing Director, the payment of minimum remuneration, if required, will again be reviewed/considered by the board of directors/members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**7. Re-appointment and Payment of Remuneration to Sh. Naresh Kumar Jain (DIN 00254045), as Whole Time Director of the Company**

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 recommendations of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) read with Schedule - V of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Sh. Naresh Kumar Jain, as Whole Time Director of the Company for a further period of five years with effect from October 1, 2017 to September 30, 2022, as well as the payment of salary and perquisites (hereinafter referred to as "remuneration") to him as set out below:

Gross Salary - Salary will be in the scale of Rs. 115000-10000-155000/- per month.

Perquisites - The following perquisites shall be allowed which will be included in gross salary except those prescribed under Section IV of Part II of Schedule V of the Companies Act, 2013:

- a. Housing - Free furnished residential accommodation alongwith other amenities or house rent allowance equal to 50% of the basic salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
- b. Medical Reimbursement- Expenses incurred by the appointee (including Mediclaim insurance premium) on self and his family will be subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- c. Leave Travel concession - The expenses incurred on Leave Travel Concession by the appointee on self and his family shall be reimbursed once in a year.
- d. Club Fees -Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- e. Personal Accident Insurance- Premium not to exceed Rs. 5000/- per annum.
- f. Provident Fund -Contribution to provident fund, superannuation funds or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- g. Gratuity -Gratuity payable shall not exceed half a month's salary for each completed year of service.
- h. Car - Free use of company's car for official as well as personal purposes along with driver.
- i. Telephone/Cell phone - Free use of company's telephone at residence/cell phone for official as well as personal purposes.

Explanation-Family means the spouse, the dependent children and dependent parents of the Whole Time Director.

**Minimum Remuneration** - Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of the Whole Time Director, the company has no profits or its profits are inadequate, the company will pay remuneration in accordance with the provisions as required under Clause A of Section II of Part II of the Schedule V and other applicable provisions of the Companies Act, 2013 during the period from 1st October 2017 to 30th September, 2020 and during the remaining term of Whole Time Director, the payment of minimum remuneration, if required, will be again be reviewed/ considered by the board of directors/members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**By Order of the Board**

**(Raj Kumar Avasthi)**  
**Chairman**  
**DIN: 01041890**

**Place: Ludhiana**  
**Date : 14.08.2017**

**Regd. Office :**  
**5/69, Guru Mansion, 1st Floor,**  
**Padam Singh Road, Karol Bagh,**  
**New Delhi - 110005**

**NOTES:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item No (s.) 4 to 7 set out above and the details under Regulation 36 (3) of SEBI (LODR) Regulations, 2015 in respect of Directors proposed to be appointed/ re-appointed at the Annual General Meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**

The instrument(s) appointing the proxy, if any, shall be deposited at the Registered Office of the Company at 5/69, Guru Mansion, 1st Floor, Padam Singh Road, Karol Bagh, New Delhi -110005 not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have right to speak at the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the Registrars and the Share Transfer Agent of the Company.
4. The copy of relevant documents can be inspected at the registered office of the company on any working day between 11:00 A.M. to 01:00 P.M.
5. Members are requested to bring their copies of the Annual Report at the Meeting. Members seeking any information with regard to the accounts of the company are requested to write to the company at least 15 days before the date of the meeting so as to enable the management to keep the information ready.
6. Members are requested to notify change in address, if any, to the company at its registered office quoting their folio number.
7. Members/Proxies should bring the attendance slip sent herewith, duly filled in and signed and handover the same at the entrance of the meeting place.

8. The company's Registrar and Share Transfer Agents is M/s. Beetal Financial & Computer Services (P) Ltd., situated at Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi and has maintained connectivity with both NSDL/CDSL.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of Listing Regulations, Members have been provided with the facility of "remote e-voting" (e-voting from a venue other than place of Annual General Meeting) on resolutions proposed to be considered at the ensuing Annual General Meeting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL). The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

**The instructions for shareholders voting electronically are as under:**

- i. The voting period begins on Wednesday, September 6, 2017 at 09:00 a.m. [IST] and ends on Friday, September 8, 2017 at 05.00 p.m. [IST]. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Saturday, September 02, 2017 may cast their vote electronically. The evoting 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](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:

<b>For members holding shares in Demat Form and Physical Form</b>	
<b>PAN*</b>	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</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>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	<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"> <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 SPORTKING INDIA LIMITED 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a 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 based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the 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 logon 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. 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).
- xxii. The Company has appointed **Mr. Sunny Kakkar, Practicing Company Secretary (M. No. ACS 34170 & C.P. No. 12712)** as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xxiii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper"/ "Poling Paper" for all those member who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

**ANNEXURE TO THE NOTICE****STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 4**

The Board of Directors of the Company, on the recommendations of the Audit Committee, approved the appointment of M/s. R.R. & Co, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 at a fixed remuneration of Rs. 75000/- plus applicable taxes.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**Item No. 5**

Sh. Raj Kumar Avasthi - is a founder of the Sportking Group and possesses vast experience and expertise in managing textile businesses including apparel/garment business from the last 43 years. He is working as Managing Director of the company since 1995. He was re-appointed as Managing Director by the members in the annual general meeting held on September 30, 2012 to hold office upto September 30, 2017 at a remuneration in the scale of Rs. 200000-30000-320000 + perquisites. The remuneration was increased to Rs. 500000-75000-650000 + perquisites w.e.f. April 1, 2013 for a period of three years i.e. upto March 31, 2016 in the annual general meeting held on September 30, 2013.

Further the company in its general meeting held on September 11, 2014 had also approved the payment of commission to him @ 5% of the net profits of the company w.e.f April 01, 2014 in addition to the increased remuneration approved earlier but not exceeding Rs. 10 Lacs per month which was valid upto March 31, 2016 and in annual general meeting of the company held on September 30, 2016 the shareholders approved payment of minimum remuneration for the remaining tenure of April 01, 2016 to September 30, 2017. Now his tenure of appointment and payment of remuneration both completed on September 30, 2017.

Pursuant to the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on August 14, 2017 approving re-appointment and payment of remuneration of Sh. Raj Kumar Avasthi as per the resolution stated above. This is subject to the approval of the shareholders at this Annual General Meeting. Hence the said resolution is placed before the members for their approval.

The resolution stated above may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Sh. Raj Kumar Avasthi and Sh. Munish Avasthi and their relatives are deemed to be interested in the resolutions, to the extent of their remuneration in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**Item No. 6**

Sh. Munish Avasthi - is a founder of the Sportking Group and possesses vast experience and expertise in managing textile businesses from the last 24 years. He is working as Joint Managing Director since 1999 and later on as Managing Director. He was re-appointed as Managing Director by the members in the annual general meeting held on September 30, 2012 to hold office upto September 30, 2017 at a remuneration in the scale of Rs. 200000-30000-320000 + perquisites. The remuneration was increased to Rs. 500000-75000-650000 + perquisites w.e.f. April 1, 2013 for a period of three years i.e. upto March 31, 2016 in the annual general meeting held on September 30, 2013.

Further the company in its general meeting held on September 11, 2014 had also approved the payment of commission to him @ 5% of the net profits of the company w.e.f April 01, 2014 in addition to the increased remuneration approved earlier but not exceeding Rs. 10 Lacs per month which was valid upto March 31, 2016 and in annual general meeting of the company held on September 30, 2016 the shareholders approved payment of minimum remuneration to him for the remaining tenure of April 01, 2016 to September 30, 2017. Now his tenure of appointment and payment of remuneration both completed on September 30, 2017.

Pursuant to the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on August 14, 2017 approving re-appointment and remuneration of Sh. Munish Avasthi as per the resolution stated above. This is subject to the approval of the shareholders at this Annual General Meeting. Hence the said resolution is placed before the members for their approval.

The resolution stated above may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Sh. Raj Kumar Avasthi and Sh. Munish Avasthi and their relatives are deemed to be interested in the resolutions, to the extent of their remuneration in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for approval by the shareholders.

**Item No. 7**

Sh. Naresh Kumar Jain is a graduate and has enormous experience and exposure in managing textile and garment business. He is associated with the Sportking Group since inception and has made major contribution in the success of the group. He was appointed as an additional director on 30.07.2009 and later on appointed as Whole time Director on 30th September, 2009 upto 30th September, 2012 then re-appointed on 29th September 2012 w.e.f 01.10.2012 to 30.09.2017 at a salary in the scale of Rs. 65000-10000-105000 per month.

Pursuant to the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on August 14, 2017 approving re-appointment and remuneration of Sh. Naresh Kumar Jain as per the resolution stated above. This is subject to the approval of the shareholders at this Annual General Meeting. Hence the said resolution is placed before the members for their approval.

The resolution stated above may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Sh. Naresh Kumar Jain and their relatives are deemed to be interested in the resolutions, to the extent of their remuneration in the Company

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

**By Order of the Board**

Place: Ludhiana  
Date : 14.08.2017

**(Raj Kumar Avasthi)**  
Chairman  
DIN: 01041890

Regd. Office :  
5/69, Guru Mansion, 1st Floor,  
Padam Singh Road, Karol Bagh,  
New Delhi - 110005

**Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36 (3) of the Listing Regulations)**

<b>Particulars</b>	<b>1</b>	<b>2</b>	<b>3</b>
Name of the Director	Sh. Raj Kumar Avasthi	Sh. Munish Avasthi	Sh. Naresh Kumar Jain
Age	71 Years	43 Years	62 Years
Date of Appointment	15.02.1989	16.11.1992	30.07.2009
Qualification	Intermediate	Graduate	Graduate
Nature of his expertise in specific functional areas	An Industrialist, having rich experience in designing and manufacturing of Apparel/Textile Business.	An industrialist, having vast experience in Spinning/Textile Industries	Vast Experience in Managing Successful textile and garments industrial enterprises.
Disclosure of Relationship between Directors	Father of Sh. Munish Avasthi, Managing Director of the Company	Son of Sh. Raj Kumar Avasthi, Managing Director of the Company	NA
Names of the listed entities in which the person also holds the directorship and the membership of the committees of the board	Nil	Nil	Nil
Shareholding of Non-Executive Director	NA	NA	NA

**DIRECTORS' REPORT****Dear Members**

The Directors of your company are pleased to present their Twenty Eighth Annual Report on the affairs of the company together with Audited Accounts of the Company for the year ended 31st March, 2017.

**1. FINANCIAL RESULTS**

The Company prepares its financial statements in accordance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements have been made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the company's state of affairs, profits and cash flows for the year ended on 31st March, 2017.

The summarized financial results for the Financial Years 2016-17 & 2015-16 are as under:

	(Rupees in Crores)	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Gross Turnover/Operating Income	1028.11	1039.48
Profit before Interest, Depreciation & Taxation	132.43	130.55
Less :Interest (Net)	39.49	51.07
Profit before Depreciation & Taxation	92.94	79.48
Less: Depreciation	57.97	59.06
Net Profit before Taxation	34.97	20.42
Less: Current Tax(Net of MAT Credit)	20.28	8.70
Less: Deferred Tax	(7.95)	0.34
Less: Tax Penalty, if any	0.60	0.00
Net Profit afterTax	22.04	11.38
Add: Surplus of Last Year	101.82	90.87
Less: Transfer to Capital Redemption Reserve	0.43	0.43
Prior Period Depreciation Adjustment (Net of Deferred Tax)	0.00	0.00
Surplus carried to Balance Sheet	123.43	101.82

**2. MANAGEMENT'S DISCUSSION AND ANALYSIS****BUSINESS REVIEW****Economic Outlook**

Global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing, and trade.. Major global events during the year included United Kingdom's decision to leave the European Union and the outcome of presidential elections in United States of America. Both the events are expected to have long-term effects on the global economy. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016.

But these positive developments should not distract from binding structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term. Structural problems—such as low productivity growth and high income inequality— are likely to persist. Inward-looking policies threaten global economic integration and the cooperative global economic order, which have served the world

economy, especially emerging-market and developing economies, well." A faster-than-expected pace of interest rate hikes in the United States could tighten financial conditions elsewhere, with potential further U.S. dollar appreciation straining emerging market economies with exchange rate pegs to the dollar or with material balance sheet mismatches. More generally, a reversal in market sentiment and confidence could tighten financial conditions and exacerbate existing vulnerabilities in a number of emerging market economies, including China—which faces the daunting challenge of reducing its reliance on credit growth.

India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. Though India's fundamentals still remain strong, the recent demonetization initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY16 to 6.8% in FY17. The IMF mentioned that this cash shortage and slowed private consumption would only be a temporary disruption and the otherwise healthy economy will return to familiar territories post the predicted slowdown in FY17. The Indian Government's decisive policy man oeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead. India's eight core infrastructure industries – coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity registered cumulative growth of 4.9% during the April-November period compared to 2.5% a year ago.

The year was marked by two major domestic policy developments, the roadmap for the implementation of the transformational Goods and Services Tax (GST) (Implemented from 01st July 2017), and the action to demonetize the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth, it is also a bold new experiment in the governance of India's cooperative federalism. Demonetization has had short-term costs in the form of slow growth but holds the potential for long-term benefits. Long-term benefits include reduced corruption, greater digitalization of the economy, increased flows of financial savings from unproductive assets, and greater formalization of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues. Inflation remained under control and the same is expected to remain within the levels fixed by Reserve Bank of India. Thus, growth is projected to rebound to 7.2% in FY 2017-18 and further to 7.7% in FY 2018-19

India's exports grew at its fastest pace in five years by 4.7% to \$274.65 billion during the financial year 2016-17, despite the demonetization drive that slowed domestic economic activity since November 2016. Many new initiatives taken by the Government in the form of Make-in-India, Invest India, Start up India and e-biz Mission Mode Project under the national e-governance plan are facilitating investment and ease of doing business in the country.

### **Textile Outlook**

India's textiles sector is one of the oldest industries in Indian economy dating back to several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 15% of total exports. The industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The sector contributes 14% to industrial production, 4% to India's Gross Domestic Product (GDP) and 15% to the country's export earnings. It is the second largest employment provider in the country employing nearly 51 million people directly and 68 million people indirectly in 2015-16.

The fundamental strength of the textile industry in India is its strong production base of wide range of fibre / yarns from natural fibres like cotton, jute, silk & wool to synthetic / man-made fibres like polyester, viscose,

nylon & acrylic. India accounts 63 % of the market share of textiles & garments. Textile industry accounts for about 24 % of the world's spindle capacity and 8 % of global rotor capacity. It has the highest loom capacity (including hand looms) with 63 % of the world's market share.

For the promotion of Indian textile industry the Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100% FDI in the Indian textiles sector under the automatic route. Government of India plans to introduce a mega package for the power loom sector, which will include social welfare schemes, insurance cover, cluster development, and up gradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the count. The Government of India has started promotion of its 'India Handloom' initiative on social media like Facebook, Twitter and Instagram with a view to connect with customers, especially youth, in order to promote high quality handloom products. As of November 2016, the Ministry of Textiles signed MOUS with 20 e-commerce firms to engage with various handloom & handicraft clusters.

Under Union Budget 2017-18, Government of India allocated around USD 926.66 million for textile Industry. Major focus of this budget is to attract manufacturers, initiate technology up gradation & setup Integrated textiles parks, etc. To improve technical skills in apparel industry government established 75 apparel training & design centers across India. National Institute of Fashion Technologies played pioneering role in growth of apparel industry & export. To promote apparel exports 12 locations have been approved by the government to set up apparel parks for exports. Measures were also announced to be taken to foster faster clearance of import & export cargo

### **Cotton**

India is the largest production of the cotton. The Cotton Association of India (CAI) has placed its cotton crop estimate for the ongoing cotton season 2016-17 at 340.50 lakh bales of 170 kgs each. With the good monsoon and increased area of cotton cultivation, the cotton production is expected to increase in the cotton season 2017-18. The projected Balance Sheet drawn by the CAI estimated total cotton supply for the current season at 410.50 lakh bales while the domestic consumption is estimated at 300.00 lakh bales thus leaving an available surplus of 110.50 lakh bales which will have a positive effect on the pricing/margins of the spinning industry.

### **Cotton Yarn & Exports**

The actual export level for FY 2016-17 was \$38.6 billion as compared to \$40 billion in the last year while garments exports witnessed a marginal rise from the year before. The exports were way off the target in the last fiscal, as demand from China especially for cotton and yarn was tepid and recovery in the developed markets like the US and the EU still remained fragile. Demonetization, too, hit the labour-intensive sector, albeit temporarily, as many workers are paid in cash daily or weekly. Stiff competition from countries like Vietnam, Bangladesh and Pakistan with zero-duty access to some of the key markets added to the woes of Indian exporters. Bangladesh, for instance, exports products at zero duty to the US and the EU, which together account for around 65 per cent of Indian supplies.

For its part, the ministry has sought a quick resolution of the India-EU free trade agreement, which would pave the way for duty-free access of Indian textile and garment items to the EU, which account for more than a third of the country's garment exports. A package of Rs 6,000 crore for the garments/knitwear sector had been announced in June 2016 by the Central Government to boost the employment generations and export. The government has also provided Rs 1,900 crore so far for a new duty drawback scheme that was announced as

part of a special package for the garments industry in June last year. For the current fiscal, the government has budgeted Rs 1,555 crore for the remission of state levies (RoSL) to the garments industry under the duty drawback scheme. The Government has now fixed the textile and clothing target to \$45 billion for current fiscal/ FY 2017-18.

### **Opportunities**

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption (Urbanization is expected to support higher growth due to change in fashion, trends and higher disposable income and population is expected to reach to 1.34 billion by FY 2019) as well as export demand which is expected to reach USD226 billion by FY2023.

Under Amended Technology Upgradation Fund Scheme (ATUFS) the capital subsidy for eligible benchmarked machinery at the rate of 15% for garmenting and technical textiles segments and at the rate of 10% for weaving, processing, jute, silk and handloom segments is available from 13.01.2016 to 31.03.2022. While ATUFS covers Capital Investment Subsidy (CIS), earlier schemes of TUFS had provisions both for interest reimbursement as well as Capital subsidy. Further ATUFS is targeted towards focused segments like garmenting and made-ups.

In addition to this benefit of Capital Investment Subsidy, the central government would also provide an additional 10% CIS for garments/made-ups (availing 15% CIS under ATUFS) on the achievement of projected production and employment which will boost employment generation in the textile sector. The central government is also providing additional drawback (Remission of State Levies) on the exports by these sectors.

The Ministry of Textiles of Central Government is also implementing Integrated Skill Development Scheme (ISDS), to cater the skilled manpower needs of various segments in textile industry. The scheme aims at skill development of 15 Lakhs with an outlay of Rs. 1900 Crores in the organized textiles industry such as Apparel and Garmenting, Technical Textiles, weaving (power-loom, composite mills) and spinning for making a non-worker to worker to earn wage employment.

With the increase in demand/ production in garments/ made-up sectors, the demand of cotton/ synthetic yarn will also increase, which will benefit the company.

### **Threats**

Cotton crop loss due to unfavourable monsoon is indeed a major area of concern for textile industries. Increase in the power costs, higher transaction costs, high cost of labour and general increase in input costs, are all hindering progress, for which the industry has to concentrate on cost reduction exercises and improvement in efficiency.

Uncertainties in global textile market regarding yarn prices, fluctuation in foreign currencies, disturbed countries crisis etc. leads to affect cotton procurement, product pricing, decline in demand& customer base. Additional tax levies in different forms may also affect profitability.

Your Company is persistently working hard to face such challenges by cost reduction, process improvements, minimizing wastage and improving productivity & quality in proximity to mitigate the growing cost pressure in our overall operations. We are moving ahead through our result oriented strategies for future sustainability & development.



**FINANCIAL ANALYSIS****Production/Sales Review**

During the year under review, the company achieved production of 43248 M.T. of Cotton/Synthetic Yarn against previous year production of 45168 M.T. Due to decrease in trading sales as well as decrease in prices of raw/cotton yarn in cotton season 2015-16 the gross turnover / operating income declined to Rs.1028.11 Crores (including exports / export incentives of Rs.585.46 Crores) as against previous year gross turnover/operating income of Rs.1039.48 Crores (including exports/export incentives Rs.582.82 Crores). The value of the exports remained at the same level.

**Profitability**

The company achieved Gross Profit (Profit before depreciation, interest and income tax) of Rs.132.43 Crores with ratio of 12.88% during FY 2016-17 as compared to Rs. 130.55 Crores in the previous FY 2015-16 with ratio of 12.55%. The interest cost declined to Rs. 39.49 Crores as compared to Rs. 51.07 Crores in the previous year due to availment of export finance in foreign currencies, reduction in the interest of term loan borrowings and working capital borrowings. The company earned gross cash profit before tax of Rs.92.94 Crores against Rs. 79.48 Crores in the previous year and cash profit after tax of Rs.80.01 Crores against Rs.70.44 Crores in the previous year. The level of profit before tax had increased to Rs.34.97 crores as compared to previous year Rs. 20.42 crores. After providing for current tax of Rs. 20.28 Crores (Net of MAT Credit) [Previous year Rs. 8.70 crores (Net of MAT Credit)], deferred tax liabilities of Rs. (-) 7.95 Crores (Previous Year Rs. 0.34 Crores) there was a net profit after tax of Rs. 22.04 Crores against previous year net profit (after tax) of Rs.11.38 Crores. After transfer of Rs.0.43 Crores to Capital Redemption Reserve the surplus in the Profit & Loss Appropriation Account stands at Rs.123.43 Crores.

**RESOURCE UTILISATION****Fixed Assets**

The Gross Block of Fixed Assets (including work-in-progress) had increased to Rs.737.88 Crores as on 31st March, 2017 as compared to Rs. 731.62 Crores in the previous year, while the Net Fixed Assets (including work-in progress) as at 31st March 2017 were Rs. 349.10 crores as compared to Rs. 400.57 Crores in the previous year.

**Current Assets and Current Liabilities**

The inventory level increased by Rs. 34.57 Crores from Rs. 268.01 Crores at the end of the previous year to Rs. 302.58 Crores at the end of the year under review. The Sundry Debtors level increased by Rs. 9.07 Crores from Rs. 48.74 Crores at the end of the previous year to Rs. 57.81 Crores at the end of the year under review while the level of other current assets decreased by Rs 9.26 Crores to Rs. 35.46 Crores at the end of current year from Rs. 44.72 Crores at the end of previous year. The level of trade payables/short term borrowings/other current liabilities and provisions increased by Rs. 9.01 Crores i.e. from Rs. 358.83 Crores at the end of previous year to Rs. 367.84 Crores at the end of current year.

**LIQUIDITY & CAPITAL RESOURCES**

The position of liquidity and capital resources is given below:

(Rupees in Crores)

Particulars	2016-17	2015-16
<b>Cash &amp; Cash Equivalents :</b>		
Beginning of the year	2.99	2.78
End of the year	0.52	2.99
<b>Net Cash provided/ (used) by:</b>		
Operating Activities	106.68	22.71
Investing Activities	-5.01	-9.98
Financial Activities	-104.14	-12.52

The company is utilizing cash accruals for meeting term loans repayment commitments, acquisition of balancing equipments/fixed assets and improvement of net working capital funds.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has internal audit department to oversee internal control systems and procedures to ensure efficiency of decisions for optimum utilization and protection of resources and compliance with applicable statutory laws and regulations and internal policies. Reports are submitted by the internal auditor to the Audit Committee of the Board and necessary action/recommendation are made thereafter by the said committee. Continuous efforts are being made to further improve and strengthen the internal control systems.

**HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The company recognizes its human resources as its most valuable asset and takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has specialized professionals in the respective fields to take care of its operations and allied activities. The Company is committed to nurturing, enhancing and retaining the top talent through superior learning. This is critical pillar to support the organization's growth and its sustainability in the long run. During the year under review, the company enjoyed cordial relationship with workers and employees at all levels.

**3. CREDIT RATING**

ICRA Limited has upgraded bank loan rating at BBB+ (pronounced ICRA triple B Plus) for long term credit facilities and A2 (pronounced ICRA A two) for short term credit facilities.

**4. DIVIDEND**

No dividend was declared by the company for FY 2016-17. The provisions of Section 125(2) of the Companies Act, 2013 relating to Transfer of Unclaimed Dividend to Investor Education and Protection Fund do not apply as there was no dividend declared and paid by the company in the past 10 years.

**5. SHARE CAPITAL**

The paid up Equity Share Capital as at 31st March, 2017 stood at Rs. 3.39 crores (Rs. 3.56 crores minus Calls in Arrears of Rs. 0.16 Crores) divided into 3561000 Equity Shares of the face value of Rs. 10/- each while the paid up Redeemable Preference Shares Capital as at 31st March 2017 stood at Rs. 8.52 Crores divided into 8516200 Preference Shares of Rs. 10/- each. During the year under review, the Company has not issued any equity shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2017 none of the Directors of the Company hold instruments convertible into equity shares of the Company.

**6. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES**

The Company does not have any subsidiary /associate/joint venture companies.

**7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

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

**8. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per the provisions of section 135 of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more or turnover of Rs. one thousand crore or more or a net profit of rupees five crore or more during any financial year is required to spend in every financial year at least 2% of the average net profits made during the three immediate preceding financial years on CSR activities.

The disclosure relating to the CSR activities pursuant to section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, is annexed hereto as "Annexure A" and forms part of this Report.

**9. BUSINESS RISK MANAGEMENT**

The Board of Directors in their meeting has formulated Risk Management Policy of the Company. The aim of Risk Management policy is to maximize opportunities in all activities and to minimize adversity. The policy includes identifying type of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Risk Management policy may be accessed on the Company's website.

**10. RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered by the Company with related parties during the financial year were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. However, all the related party transactions are placed before the Audit Committee and the Board for their approval.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given any loans, guarantees or made investments under the provisions of Section 186 of the Companies Act, 2013.

**12. DIRECTORS**

In accordance with the provision of Section 152 of the Companies Act, 2013, Sh. Munish Avasthi, Managing Director of the company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Sh. Raj Kumar Avasthi & Sh. Munish Avasthi, Managing Directors of the company and Sh. Naresh Kumar Jain, Whole Time Director of the company who were re-appointed in the annual general meeting held on September 30, 2012 for a period of 5 years i.e. till September 30, 2017. The Nomination and Remuneration Committee as well as board of directors of the company has recommended their re-appointment along with payment of remuneration for further period of five years starting from October 01, 2017 to September 30, 2022 in compliance with the provisions applicable under Companies Act, 2013 as well as SEBI (LODR), Regulations, 2015.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**AUDIT COMMITTEE**

The Company has an Audit Committee of the Board of Directors, the members of which are Sh. Prashant Kochhar, Smt. Harbhajan Kaur Bal and Sh. Sunil Puri. Sh. Prashant Kochhar is the Chairman of the committee.

The committee is empowered to look into all the matters related to finance and accounting and its terms of reference are as per regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 177 of The Companies Act, 2013.

**NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE**

During the year under review, Four Board Meetings and Four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees. The performance evaluation of the independent directors was completed. The performance evaluation of the Managing Director and Non - Independent Directors were carried out by the independent directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**NOMINATION AND REMUNERATION POLICY**

The Board of the directors has constituted Nomination and Remuneration Committee who has framed a policy in relation to the remuneration of Directors, Key Managerial Personnel and Senior Management of the Company and the criteria for their selection and appointment which is stated in the Corporate Governance Report.

**WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

Pursuant to Section 177(9-10) of the Companies Act, 2013 and regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower policy for vigil mechanism for directors and employees reporting for unethical behavior, fraud and mismanagement or violation of Company's code of conduct. The details of the Policy are also posted on the website of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed.
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on 31st March, 2017.
- iii) The directors had 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.
- iv) The directors had prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls were adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**13. AUDITORS AND THEIR REPORT****STATUTORY AUDITORS**

There is no audit qualification reservations/ or adverse remarks or disclaimer in the statutory audit report for the year under review. The comments in the Auditors' Report read with Notes to Accounts are self-explanatory and do not call for any further explanation.

The Companies Act, 2013 ('the Act') was notified as effective from April 1, 2014. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company.

The incumbent auditors, M/s Rawla and Company, Chartered Accountants (Firm registration number: 001661N) have served the Company for over 10 years before the Act was notified and will be completing the maximum transitional period of three years at the ensuing 28th AGM being held on 9th September, 2017.

On 14th August, 2017, the audit committee of the Company has proposed and the Board has considered & recommended the appointment of M/s S. C. Vasudeva and Company, Chartered Accountants (Firm registration number 000235N) as the new statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting being held on 9th September, 2017 till the conclusion of sixth Annual General Meeting from this Annual General Meeting subject to the approval of the shareholders in the forthcoming annual general meeting. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

The Company has received confirmation from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment.

#### **SECRETARIAL AUDITORS**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company appointed M/s B.K. Gupta & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure B".

There is no audit qualification, reservations or adverse remarks or disclaimer in the secretarial audit report during the year under review.

#### **COST AUDITORS**

The Board of Directors has appointed M/s R.R. & Company, Cost Accountants, as the Cost Auditors of the Company to conduct Audit of the cost records of the company for the FY 2017-18. However, as per provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditors is subject to ratification by members. Accordingly, the remuneration to be paid to M/s R.R & Company, Cost Accountants, for financial year 2017-18 is placed for ratification before the members at the Annual General Meeting.

#### **14. EXTRACT OF ANNUAL RETURN**

The details of the Extract of the Annual Return (Form MGT-9) is given in "Annexure C" of this report.

#### **15. LISTING OF SECURITIES**

The fully paid up Equity Shares of company are listed on Bombay Stock Exchange (BSE) Limited for trading. The Company has also paid the listing fees to BSE for financial year 2017-18.

#### **16. ENVIRONMENT AND SAFETY**

The Company is conscious of importance of environment clean and safety operations. The company conducts operation in such a manner as to ensure safety of all concerned, compliances of environmental regulations and prevention of various natural resources. As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the board.

#### **17. PUBLIC DEPOSITS:**

The Company has not raised any deposits from the public except the interest free unsecured loan from the Promoter Director of the Company. Hence the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to acceptance of deposits from public are not attracted.

**18. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings & outgo is given in "Annexure-D" of this report.

**19. PARTICULARS OF EMPLOYEES**

The disclosures in respect of managerial remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5 (2) and 5 (3) Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in "Annexure E" of this report.

**20. PREVENTION OF INSIDER TRADING:**

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated employees have confirmed compliance with the Code.

**21. CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Senior Manager Personnel in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website.

The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and all Senior Manager Personnel in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

**22. CORPORATE GOVERNANCE**

The Corporate Governance, which forms an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**23. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation of the co-operation from the Bankers, Financial Institutions and Government Bodies & Business Associates. Your Directors also record their appreciation of the services rendered by the employees of the company.

**By Order of the Board**

Place: Ludhiana  
Date : 14.08.2017

(Raj Kumar Avasthi)  
Chairman  
DIN: 01041890

Regd. Office :  
5/69, Guru Mansion, 1st Floor,  
Padam Singh Road, Karol Bagh,  
New Delhi - 110005

ANNEXURE A TO DIRECTOR'S REPORT  
CSR ACTIVITIES

Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and its amendment forming part of Directors' Report for the year ended 31st March 2017.

1. A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.
- To formulate and recommend to the Board, a Corporate Social responsibility (CSR) Policy indicating activities to be undertaken by the company in compliance with the provisions of the Companies Act, 2013 and rules made thereunder.
  - To recommend the amount of expenditure to be incurred on the CSR activities.
  - To monitor the implementation of the CSR policy of the company from time to time.
- The detailed policy of the company on corporate social responsibility is available at company website at [http://sportking.co.in/admin/uploaded\\_code\\_policy/CSR\\_Policy.pdf](http://sportking.co.in/admin/uploaded_code_policy/CSR_Policy.pdf)

2. The Composition of the CSR Committee.

Name	Designation	Category
Sh. Munish Avasthi	Chairman	Promoter Director
Sh. Raj Kumar Avasthi	Member	Promoter Director
Smt. Harbhajan Kaur Bal	Member	Independent Director

3. Average net profit of the company for the last three financial years.

Financial Year	Net Profit (Rs. in Crs)	Average Profit (Rs. in Crs)
2015-16	20.42	21.96
2014-15	2.43	
2013-14	43.03	

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

Rs. 43.92 Lakhs (i.e. 2% of 21.96 Crores)

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial Year : 43.92 Lakhs

b. Amount Unspent, if any : 43.92 Lakhs

c. Manner in which the amount spent during the financial year detailed below:

(1) Sr. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Over Heads	(7) Cumulative Expenditure upto the reporting period	(8) Amount Spent Direct or through implementing agency
-	-	-	-	-	-	-	-

6. In case the company have failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company have not spend any amount on the CSR activities. The CSR activities are scalable which coupled with new initiatives that may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

7. A responsibility statement of the CSR Committee: The members of the CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Raj Kumar Avasthi  
Chairman-cum-Managing Director

Munish Avasthi  
Chairman-CSR Committee

**ANNEXURE B TO DIRECTOR'S REPORT  
SECRETARIAL AUDIT REPORT**

**Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2017**

To  
The Members,  
Sportking India Limited  
5/69, Guru Mansion,  
Padam Singh Road,  
New Delhi-110005

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sportking India 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 my 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 31st March, 2017 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 Sportking India Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:- Not Applicable during the period under review;
- (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable 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 during the Audit period;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not Applicable during the Audit period;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable during the Audit period;and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not Applicable during the Audit period
- (vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:

- During the period under review, the company has not done any expenditure under its Corporate Social Responsibility, pursuant to Section 135 of the Companies Act, 2013.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not made any decision which is having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

**For B K Gupta & Associates  
Company Secretaries**

**(Bhupesh Gupta)  
Partner  
M No. : FCS 4590  
CP No. : 5708**

**Place: Ludhiana  
Dated: 24.06.2017**

#### **LIST OF OTHER APPLICABLE LAWS DURING THE PERIOD:**

##### **List of Labour Laws**

Factories Act, 1948  
Industrial Disputes Act, 1947  
The Payment of Wages Act, 1936  
The Minimum Wages Act, 1948  
Employee's State Insurance Act 1948  
The Payment of Bonus Act, 1972

##### **List of Environmental Laws**

Environment (Protection) Act, 1986  
Water (Prevention and Control of Pollution) Act, 1974  
Air (Prevention and Control of Pollution) Act, 1981  
Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008

To  
The Members,  
Sportking India Limited  
5/69, Guru Mansion,  
Padam Singh Road,  
New Delhi-110005

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B K Gupta & Associates  
Company Secretaries**

**(Bhupesh Gupta)  
Partner  
M No. : FCS 4590  
CP No. : 5708**

**Place: Ludhiana  
Dated: 24.06.2017**

**ANNEXURE C TO THE DIRECTORS' REPORT  
EXTRACT OF ANNUAL RETURN  
(FORM NO. MGT 9)**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2017.

**1. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17122DL1989PLC035050
2.	Registration Date	15/02/1989
3.	Name of the Company	Sportking India Limited
4.	Category/Sub-category of the Company	Public Company / Limited by shares
5.	Address of the Registered office and Contact Details	5/69, Guru mansion, First Floor ,Padam Singh Road, Karol Bagh, New Delhi – 110005, Contact Details & Ph No. 011-25754885
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services Private Limited Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110 062. Tel.: 91 11 2996 1281, Fax: 91 11 2996 1284

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products/	NIC Code of the Product/service	% to total turnover of the company
1.	Textiles	131- Spinning, weaving & Finishing of Textiles	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	Name of the Company	Address of the Company	Holding/Subsidiary/Associate	% of Share held	Applicable Section
NOT APPLICABLE					

**IV. A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category of Shareholders	No. of Shares held at the beginning of Year (As on 01-04-2016)				No. of Shares held at the end of the Year (As on 31-03-2017)				% Change During the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	116000	388500	504500	14.16	709700	9700	719400	20.20	6.04
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt (PSIDC)	--	200000	200000	5.62	--	--	--	--	-5.62
d) Bodies Corp.	1492450	241600	1734050	48.70	1712450	21600	1734050	48.70	0.00
e) Banks/Fi	--	--	--	--	--	--	--	--	--
<b>Total Shareholder of Promoter (A)</b>	<b>1608450</b>	<b>830100</b>	<b>2438550</b>	<b>68.48</b>	<b>2422150</b>	<b>31300</b>	<b>2453450</b>	<b>68.90</b>	<b>0.42</b>
<b>B. Public Shareholding</b>									
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks/Fi	--	--	--	--	--	--	--	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital	--	--	--	--	--	--	--	--	--

Funds									
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub Total (B)(1)-</b>	--	--	--	--	--	--	--	--	--
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	--	69600	69600	1.95	504	70600	71104	1.99	0.04
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individuals shareholder holding nominal share capital upto Rs. 1 Lakh	5600	862450	868050	24.38	18296	901950	920246	25.84	1.46
ii) Individual shareholder holding nominal share capital in excess of Rs.1Lakh	--	184800	184800	5.19	--	116200	116200	3.27	(1.92)
c) Others (Specify)									
Non Resident Indians	--	--	--	--	--	--	--	--	--
Overseas corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearings Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies-DR	--	--	--	--	--	--	--	--	--
<b>Sub Total (B)(2):-</b>	<b>5600</b>	<b>1116850</b>	<b>1122450</b>	<b>31.52</b>	<b>18800</b>	<b>1088750</b>	<b>1107550</b>	<b>31.10</b>	<b>(0.42)</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	5600	1116850	1122450	31.52	18800	1088750	1107550	31.10	(0.42)
<b>C. Shares held by Custodian for GDRS&amp; ADRS</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>1614050</b>	<b>1946950</b>	<b>3561000</b>	<b>100.00</b>	<b>2440950</b>	<b>1120050</b>	<b>3561000</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoter-**

SN	Shareholders Name	Shareholding at the beginning of the Year			Shareholding at the end of the year			% Chngae in Share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Share Pledged/ encumbered to the shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Namokar Capital Services Private Limited	798985	22.44	--	798985	22.44	--	--
2	Angel Finvest Private Limited	487900	13.70	--	487900	13.70	--	--
3	Sobhagia Sales Private Limited*	425565	11.94	51.69	425565	11.94	--	--
4	Punjab State Industrial Development Corporation Limited (PSIDC)	200000	5.62	--	--	--	--	-5.62
5	Sh. Raj Kumar Avasthi	203200	5.72	59.55	316700	8.89	--	+3.17
6	Smt. Parveen Avasthi	162500	4.56	97.23	162500	4.56	--	--

7	Sh. Munish Avasthi	129300	3.63	78.11	230700	6.47	--	+2.84
8	Aradhna Knitwears Pvt. Ltd.	21600	0.61	--	21600	0.61	--	--
9	Sh. Ashok Kumar Sharma	3000	0.08	--	3000	0.08	--	--
10	Sh. Suraj Dada	2200	0.06	--	2200	0.06	--	--
11	Sh. Jagdish Chandar	1800	0.05	--	1800	0.05	--	--
12	Smt. Anjali Dada	1500	0.04	--	1500	0.04	--	--
13	Smt. Anjali Avasthi	1000	0.03	--	1000	0.03	--	--
	<b>Total</b>	<b>2438550</b>	<b>68.48</b>	<b>24.85</b>	<b>2453450</b>	<b>68.87</b>	<b>--</b>	<b>0.39</b>

\* Classic Wears Private limited merged with Sobhagia Sales Private Limited as per the Hon'ble High Court of Punjab & Haryana Order dated 2nd September, 2016 due to which Shares of Sobhagia Sales Private Limited included 130550 Equity Shares of Classic Wears Private Limited.

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Name	Shareholding at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of Total shares of the Company				No. of Shares	% of total shares of the Company
1	Sh. Munish Avasthi	129300	3.63	01.04.2016				
				08.10.2016	+100000	Transfer	229300	6.43
				09.02.2017	+1000	Transfer	230300	6.46
				15.02.2017	+400	Transfer	230700	6.47
				<b>At the end of the year</b>	<b>230700</b>	<b>6.47</b>	<b>31.03.2017</b>	
2.	Sh. Raj Kumar Avasthi	203200	5.72	01.04.2016				
				08.10.2016	+100000	Transfer	303200	8.51
				01.02.2017	+5200	Transfer	308400	8.66
				09.02.2017	+2900	Transfer	311300	8.74
				15.02.2017	+2000	Transfer	313300	8.79
				22.02.2017	+3400	Transfer	316700	8.89
<b>At the end of the year</b>	<b>316700</b>	<b>8.89</b>	<b>31.03.2017</b>			<b>316700</b>	<b>8.89</b>	
3	Punjab State Industrial Development Corporation Limited (PSIDC)	200000	5.62	01.04.2016				
				08.10.2016	-200000	Transfer	--	--
				<b>At the end of the year</b>	<b>--</b>	<b>--</b>	<b>31.03.2017</b>	

## D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name	Shareholding at the Beginning of the year (01.04.2016)/ end of the year 31.03.2017)		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2016 to year (31.03.2017)		
		No. of Shares	% of Total shares of the Company				No. of shares	% of total shares of the Company	
1	Santosh Dass	50000	1.40	01.04.2016	-	Nil Movement during the year			
	<b>At the end of the year</b>	<b>50000</b>	<b>1.40</b>	<b>31.03.2017</b>			<b>50000</b>	<b>1.40</b>	
2	Vinod Talwar	21600	0.61	01.04.2016	--	Nil Movement during the year			
	<b>At the end of the Year</b>	<b>21600</b>	<b>0.61</b>	<b>31.03.2017</b>			<b>21600</b>	<b>0.61</b>	
3	Marvel Dyers & Processers Private Limited (Formerly)- friends dyeing & finishing Mills Pvt. Ltd.)	21600	0.61	01.04.2016	-	Nil Movement during the year			
	<b>At the end of year</b>	<b>21600</b>	<b>0.61</b>	<b>31.03.2017</b>			<b>21600</b>	<b>0.61</b>	
4	Sam Aviation Private Limited	21600	0.61	01.04.2016	-	Nil Movement during the year			
	<b>At the end of the Year</b>	<b>21600</b>	<b>0.61</b>	<b>31.03.2017</b>			<b>21600</b>	<b>0.61</b>	
5	LWS Knitwear Private Limited	13000	0.36	01.04.2016	-	Nil Movement During the year			
	<b>At the end of the year</b>	<b>13000</b>	<b>0.36</b>	<b>31.03.2017</b>			<b>13000</b>	<b>0.36</b>	
6.	Kanwal Khurana	-	-	01.04.2016					
				25.01.2017	+1200		Transfer	1200	0.03
				01.02.2017	+4000		Transfer	5200	0.14
				09.02.2017	+5000		Transfer	10200	0.28
				15.02.2017	+600		Transfer	10800	0.30
				22.02.2017	+1000		Transfer	11800	0.33
				17.03.2017	+400		Transfer	12200	0.34
<b>At the end of the year</b>	<b>12200</b>	<b>0.34</b>	<b>31.03.2017</b>		<b>12200</b>	<b>0.34</b>			
7	Riba Textiles Limited	10800	0.30	01.04.2016	-	Nil Movement during the year			
	<b>At the end of the Year</b>	<b>10800</b>	<b>0.30</b>	<b>31.03.2017</b>			<b>10800</b>	<b>0.30</b>	
8	Amit Garg	10800	0.30	01.04.2016	-	Nil Movement during the year			
	<b>At the end of the year</b>	<b>10800</b>	<b>0.30</b>	<b>31.03.2017</b>			<b>10800</b>	<b>0.30</b>	
9	Nitin Garg	10800	0.30	01.04.2016	-	Nil Movement during the year			
	<b>At the end of year</b>	<b>10800</b>	<b>0.30</b>	<b>31.03.2017</b>			<b>10800</b>	<b>0.30</b>	
10	Rajeev Verma	10800	0.30	01.04.2016	-	Nil Movement during the year			
<b>At the end of year</b>	<b>10800</b>	<b>0.30</b>	<b>31.03.2017</b>		<b>10800</b>		<b>0.30</b>		

## E) Shareholding of Directors and Key Managerial Personnel:

SN	Name	Shareholding at the Beginning of the year (01.04.2016)/end of the year (31.03.2017)		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of Total shares of the Company				No. of Shares	% of total shares of the Company
<b>A. Directors</b>								
1	Sh. Raj Kumar Avasthi (Managing Director)	203200	5.72	01.04.2016				
				08.10.2016	+100000	Transfer	303200	8.51
				01.02.2017	+5200	Transfer	308400	8.66
				09.02.2017	+2900	Transfer	311300	8.74
				15.02.2017	+2000	Transfer	313300	8.79
				22.02.2017	+3400	Transfer	316700	8.89
	<b>At the end of the year</b>	<b>316700</b>	<b>8.89</b>	<b>31.03.2017</b>			<b>316700</b>	<b>8.89</b>
2.	Sh. Munish Avasthi (Managing Director)	129300	3.63	01.04.2016				
				08.10.2016	+100000	Transfer	229300	6.43
				09.02.2017	+1000	Transfer	230300	6.46
				15.02.2017	+400	Transfer	230700	6.47
	<b>At the end of the year</b>	<b>230700</b>	<b>6.47</b>	<b>31.03.2017</b>			<b>230700</b>	<b>6.47</b>
3	Sh. Naresh Kumar jain (Whole Time Director)	1300	0.04	01.04.2016	-	Nil Movement during the year		
	<b>At the end of the year</b>	<b>1300</b>	<b>0.04</b>	<b>31.03.2017</b>			<b>1300</b>	<b>0.04</b>
4	Sh. Prashant Kocchar (Independent) Director	-	-	01.04.2016	-	Nil Movement During the year		
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>31.03.2017</b>	<b>-</b>		<b>-</b>	<b>-</b>
5	Sh. Sunil Puri (Independent Director)	-	-	01.04.2016	-	Nil Movement during the year		
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>31.03.2017</b>	<b>-</b>		<b>-</b>	<b>-</b>
6	Smt. Harbhajan Kaur Bal (Independent Director)	-	-	01.04.2016	-	Nil Movement during the year		
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>31.03.2017</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>B. Key Managerial Personal (KMP's)</b>								
7	Sh. Parveen Kumar Gupta (CFO)	-	-	01.04.2016	-	Nil Movement during the year		
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>31.03.2017</b>	<b>-</b>		<b>-</b>	<b>-</b>
8	Sh. Nikhil Kalra (Company Secretary & Compliance Officer)	-	-	01.04.2016	-	Nil Movement during the year		
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>31.03.2017</b>	<b>-</b>		<b>-</b>	<b>-</b>

V) **INDEBTEDNESS** - indebtedness of the Company interest outstanding/ accrued but not due for payment.

Rupees in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	561.05	1.00	--	562.05
ii) Interest due but not paid	1.61	--	--	1.61
iii) Interest accrued but not due	0.12	--	--	0.12
<b>Total (i+ii+iii)</b>	<b>562.78</b>	<b>1.00</b>	<b>--</b>	<b>563.78</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	--	--	--	--
* Reduction	70.81	--	--	--
<b>Net Change</b>	<b>(70.81)</b>	<b>--</b>	<b>--</b>	<b>(70.81)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	491.05	1.00	--	492.05
ii) Interest due but not paid	0.89	--	--	0.89
iii) Interest accrued but not due	0.03	--	--	0.03
<b>Total (i+ii+iii)</b>	<b>491.97</b>	<b>1.00</b>	<b>--</b>	<b>492.97</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		MD	MD	WTD	
		Sh. Raj Kumar Avasthi	Sh. Munish Avasthi	Sh. Naresh Kumar Jain	
		Rs.	Rs.	Rs.	Rs.
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the income Tax Act, 1961	8700000	8700000	1200000	18600000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2672577	1247700	600000	4520277
	(c) Profits is of salary under Section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, Specify..	627000	2052000	-	2679000
	<b>Total (A)</b>	<b>11999577</b>	<b>11999700</b>	<b>1800000</b>	<b>25799277</b>
	<b>Ceiling as per the Act</b>	<b>5% of net profits of the company calculated as per Section 198 of the Companies Act, 2013.</b>			

## B. Remuneration to other Directors

SN	Particulars of Remuneration	Name of Directors			Total Amount
		Sh. Prashant Kochhar	Sh. Sunil Puri	Smt. Harbhajan Kaur Bal	
1	Independent Director Fee for attending board/committee meetings	20000	20000	20000	60000
	Commission	-	-	-	-
	Others, Please Specify	-	-	-	-
	<b>Total(1)</b>	<b>20000</b>	<b>20000</b>	<b>20000</b>	<b>60000</b>
2	Other Non-Executive Directors				
	Fee for attending board/committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, Please Specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)	20000	20000	20000	60000
	<b>Total Managerial Remuneration (A+B)</b>	<b>25859277</b>			
	<b>Overall ceiling as per the Act</b>	<b>11% of net profits of the company calculated as per Section 198 of the Companies Act, 2013.</b>			

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO (Sh. Parveen K Gupta)	CS (Sh. Nikhil Kalra)	Total
1	Gross Salary	Not Applicable	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		1901684	477895	2379579
	b) Value of Perquisites u/s 17(2) Income-tax Act, 1961		15000	15000	30000
	c) Profits in salary under section 17(3) Income-Tax Act, 1961				
2	Stock Option		-	-	-
3	Sweat equity		-	-	-
4	Commission		-	-	-
	- as % of Profit		-	-	-
	Others Specify		-	-	-
5	<b>Total</b>		<b>1916684</b>	<b>492895</b>	<b>2409579</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Company Act	Brief Description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT]/ court]	Appeal made if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE D TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2017.

**1. Conservation of Energy**

The Energy is a important component in manufacturing of Yarn hence its saving is given highest priority by the organization and thus continual work is accomplished in preceding year where many small initiatives has been taken across the organization such as Installation of LED Tube in phase way by replacing existing tube, Modification of Supply and return air Fan by high energy efficient fans, Monitoring of Compressed Air Consumption, Plugging Leakage in various manufacturing stages, VFD in TFO, Replacement of Energy Efficient Fan in waste collection, Extension of Equalizer Pnumafil Suction Nozzle, Installation of Trans Vector Nozzle for cleaning Purpose. In Dyeing area the Installation of VFD system in Boiler thus improving Boiler efficiency.

**(FORM A)****A Power & Fuel Consumption**

	2016-17	2015-16
i) Electricity		
a) Purchased		
Units (Kwh.)	157541264	157391771
Amount (Rs.)	982385176	917265971
Rate Per Unit (Rs.)	6.24	5.83
b) (Through Generator)		
Units (Kwh)	143626	255836
Amount (Rs.)	2279712	3596168
Cost per unit (Rs.)	15.87	14.06
ii) Coal / Pet coke		
Qty. (Kgs.)	1930100	2114380
Amount (Rs.)	16835374	17052967
Rate per unit (Rs.)	8.72	8.07
iii) Furnace Oil	NIL	NIL
iv) Rice Husk	NIL	NIL
Qty. (Kgs.)	NIL	NIL
Amount (Rs.)	NIL	NIL
Rate per unit (Rs.)	NIL	NIL
v) Other/internal generation	NIL	NIL

**B) Consumption per Unit of production**

i) Electricity (Kwh/Kg. of Product)	3.64	3.49
ii) Coal and Rice Husk	0.04	0.05
iii) Furnace	NIL	NIL
iv) Others/Internal Generation	NIL	NIL

**2. Technology Absorption**

Efforts made in Technology Absorption are furnished in Form B as under:

**A. Research and Development**

- i) **Specific Areas in which Research & development is carried out by the Company:** Research & Development is carried out for continual improvement in product quality thereby setting benchmarks for quality and better realization to customer by optimum utilization of available resources. Product Development is a continuous Endeavour of the management and contamination free and other fibre dyed products, Jaspe Yarn in Poly Cotton Grey, 100% Polyester Fibre Dyed, Injection Yarn having different dye absorption behaviour resulted in to high fashion garments usage and creating value addition to both.

**ii) Benefits derived as a result of Research & Development:**

- a) Enlargement of market base with new products.
- b) Quality improvement, customer satisfaction.
- c) Cost reduction, productivity & efficiency enhancement.
- d) Enhanced capacity to cater for higher volume to foreign customers.

**iii) Future Course of Action:**

- a) Productivity enhancement of Spinning Machines
- b) Development of new products
- c) Investment in R & D

**iv) Expenditure on Research & Development:**

The capital as well as revenue expenditure incurred on Research & Development activities has been shown under the respective heads of Plant & Machinery and Consumable Stores of Annual Accounts and it is not possible to segregate the same.

**B. Technology Absorption, Adaptation and Innovation:****i) Efforts Made:**

- a. Installation of Modified Novibara LENA Spindle with Spring Button resulting in significant reduction in Power Consumption, Noise level and Rouge Spindles causing Low Twist level in yarn.
- b. Installation of Inverter drive in TFO giving Power Saving and fast change over during product mix resulting in lesser down in machine.
- c. Installation of timing belt conversion and webbing in Carding thus improving Production of existing machine by 7% and reduction in sliver breakage.
- d. Installation of Modified V9 concave flat thus improving sliver quality and Nep removal efficiency of material and finally reduction in +140% Neps in Uster yarn results.
- e. Modification in Murata Auto Coner Suction mouth body finishing by brushable ceramic finishing resulting into improved suction, better life of the components and improved appearance of splice.
- f. Installation of Brass fitting in pneumatics in combing area to save air consumption.
- g. Extension of equalizer suction tube in Rieter Machine resulting into energy saving.
- h. Modification in drop box top roller conversion in comber thus resulting into improved machine efficiency by reducing lapping tendency.
- i. Uses of 18 groove twist master thus reduction in twist level in speed frame machine.
- j. Installation of Inverter drive in speed frame thus reduction in material breakage and improving machine running ability.

**ii) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc.:**

Use of the latest developed techniques has enabled the company to improve the quality of yarn, launch of new products and reduction of cost of production.

**iii) Particulars of imported Technology during the last five years:**

During the financial year 2014-15 the Company has imported the compacting system for improving the product quality.

**3. Foreign Exchange Earnings and Outgo:**

The company continued its efforts to develop export markets throughout the year and has got adequate response from various customers worldwide. The company has earned foreign exchange of Rs 562.95 Crores by export of its products. The outgoes of foreign exchange is Rs. 168.65 Crores, being the CIF value of imports of raw material/capital goods/stores & spares, interest on foreign currency loans & overseas commission/traveling expenses.

## ANNEXURE E TO THE DIRECTOR'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 are as under:

Sr. No.	Names of the Directors/KMP	Designation	Remuneration of the financial year 2016-17 (Rs. In Lacs)	Ratio of Directors /KMP remuneration to Median remuneration	%increase in the Remuneration in the Financial year 2016-17
<b>I</b>	<b>Executive Directors</b>				
1	Sh. Raj Kumar Avasthi	Managing Director	120.00	138.35	-
2	Sh. Munish Avasthi	Managing Director	120.00	138.35	-
3	Sh. Naresh Kumar Jain	Executive Director	18.00	20.75	11.11
<b>II</b>	<b>Non-Executive Directors</b>				
4	Sh. Prashant Kochhar	Independent Director	0.20	0.23	-
5	Sh. Sunil Kumar Puri	Independent Director	0.20	0.23	-
6	Dr. Harbhajan Kaur Bal	Independent Director	0.20	0.23	-
<b>III</b>	<b>Key Managerial Personnel</b>				
8	Mr. Parveen K. Gupta	Chief Financial Officer	19.17	22.10	7.64
9	Mr. Nikhil Kalra	Company Secretary	4.93	5.68	11.54

2. There were 4714 permanent employees on the rolls of Company as on March 31, 2017.
3. The median remuneration of employees of the Company during the financial year 2016-17 was Rs.86736/- and there was an increase of 8.58% in the median remuneration of employees over the previous year.
4. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2016-17 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Employee Group	% increase made in the Salaries
White Collar	10.00
Blue Collar	
- Monthly Wagers	10.00
- Daily Wagers	8.33

Further, there was no increase made in the salaries of managerial remuneration for the same financial year.

5. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year.

Not Applicable.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**STATEMENT CONTAINING PARTICULARS OF EMPLOYEES AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

Name of the Employee	Designation	Remuneration (Rs. In Lacs)	Nature of Employment	Qualification	Experience (Years)	Joining Date	Age	Previous Employment	% of Equity Shares held	Relationship with Director
Raj Kumar Avasthi	CMD	120.00	Permanent	HSC	43	15.02.1989	71	NA	8.89	NA
Munish Avasthi	MD	120.00	Permanent	B.Com	24	01.08.1991	44	NA	6.47	NA
Ashok Kumar Sharma	President (Oprs.)	23.97	Permanent	B.Tech	31	19.08.2010	54	Deepak Spinners Limited	NIL	No
Shiv Kumar Sharma	President (Oprs.)	23.53	Permanent	B.Tech	29	22.08.2013	53	Birla Textiles Indonesia	NIL	No
Parveen Kumar Gupta	CFO	19.17	Permanent	FCA, ACS	33	01.04.1999	57	NA	NIL	No
D.S. Yadav	Vice President (H.R.)	18.77	Permanent	MSW	28	02.07.1997	51	Pashupati Spinning and Weaving Mills Limited	NIL	No
Naresh Kumar Jain	ED	18.00	Permanent	B.A.	41	30.07.2009	63	Classic Wears Pvt. Ltd.	NIL	NA
Rashim Jindal	President (Marketing)	17.77	Permanent	MBA	25	09.09.2004	47	Vardman Spinning and General Mills Limited	NIL	No
Shaji John	AVP	15.33	Permanent	B.Tech (Textiles)	27	12.03.2013	54	Ginli Filaments Limited	NIL	No
R.P. Gupta	EA to MD	15.24	Permanent	Master of Textile Tech.	31	16.09.2014	53	Thai Acrylics Fibre, Thailand	NIL	No
Jai Prakash Singhal	Sr. G.M. (Engg.)	14.86	Permanent	B.E. Electrical	37	07.08.2010	60	GPI Textiles Limited	NIL	No
Jagjeet Kumar Marwaha	G.M.	13.68	Permanent	B.Tech	28	10.01.2010	51	Nahar Spinning Mills Limited	NIL	No

## CORPORATE GOVERNANCE REPORT

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the Company's objective of enhancing shareholders value and its image. Adopting high standards with transparency gives comfort to all existing and potential stakeholders including government & regulatory authorities, customers, suppliers, bankers, employees and shareholders. The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance Practices. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

In India, Corporate Governance Standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI), through Security Exchange Board of India (SEBI) in chapter IV read with schedule V of (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company has adopted best practices mandated in regulations. This chapter, besides being in compliance of the mandatory Listing Regulation gives an insight into the process of functioning of the Company.

### 1. COMPANY'S PHILOSOPHY

- a) Faith in bright future of Indian textiles
- b) Total Customer focus in all operational areas
- c) Respect for people, consumer delight, Integrity, Quality and Shareholder's value.
- d) Achieving excellence through continuous innovation & creativity
- e) Faith in individual potential and respect for human values

### 2. BOARD OF DIRECTORS

#### Composition:

The Board of the Company is headed by Executive Chairman & Managing Director. The Board consists of Six Directors out of which two are promoter directors, one is non-independent director and three are independent Directors. Sh. Raj Kumar Avasthi and Sh. Munish Avasthi, Managing Directors are related to each other.

The details of Board of Directors and their shareholding in the Company are as under:

Name of the Directors	Category	No. of equity shares held in the Company
Sh. Raj Kumar Avasthi	Executive Chairman & Managing Director and Promoter	316700
Sh. Munish Avasthi	Managing Director & Promoter	230700
Sh. Naresh Kumar Jain	Executive Non-Promoter Director	1300
Sh. Prashant Kochhar	Non- Executive Independent Director	NIL
Sh. Sunil Puri	Non- Executive Independent Director	NIL
Smt. Harbhajan Kaur Bal	Non- Executive Independent Director	NIL

**Board Meetings etc:**

The Board normally meets once in a quarter. Additional meetings are held as and when required. During the year under review, board met four times on 30.05.2016, 13.08.2016, 14.11.2016 and 14.02.2017. The gap between any two meetings did not exceed three months.

The board members attendance at the Board meetings, last Annual General Meeting and directorship and committee memberships in other Public Limited Companies are as under-

Name of the Directors	No. of Board Meeting Attended	Attendance at the last AGM	Total No. of Directorships in other Companies	Total No. of Committee Memberships in other Companies	Total No. of Committee Chairmanships in other Companies
Sh. Raj Kumar Avasthi	4	Yes	-	-	-
Sh. Munish Avasthi	3	Yes	1	-	-
Sh. Naresh Kumar Jain	4	Yes	-	-	-
Sh. Prashant Kochhar	4	Yes	-	-	-
Sh. Sunil Puri	4	No	-	-	-
Smt. Harbhajan Kaur Bal	4	No	5	4	2

**Note:**

- i) The above mentioned Directorships exclude private limited companies, foreign companies and Companies under section 8 of the Companies Act, 2013.
- ii) Committee includes Audit Committee and Stakeholders Relationship Committee.

**3. AUDIT COMMITTEE****Composition:**

The Audit Committee of the Company in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 comprise of three directors i.e., Sh. Prashant Kochhar, Smt. H.K. Bal and Sh. Sunil Puri. Sh. Prashant Kochhar is the Chairman of the Committee. All the members of Audit Committee are financially literate and Chairman of the Committee possesses expertise in legal, finance and accounting matters.

**Terms of reference:**

The terms of reference of the Audit Committee based on the role of the Audit Committee as mentioned in Chapter IV read with Schedule II of part Cof SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are as under:

**A. The role of the audit committee shall include the following:**

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before



submission to the board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosures of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) approval or any subsequent modification of transactions of the listed entity with related parties;
  - (9) scrutiny of inter-corporate loans and investments; if any
  - (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) evaluation of internal financial controls and risk management systems;
  - (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (14) discussion with internal auditors of any significant findings and follow up there on;
  - (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) to review the functioning of the whistle blower mechanism;
  - (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**(B) The audit committee shall mandatorily review the following information:**

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The committee met four times during the financial year under review on 30.05.2016, 13.08.2016, 14.11.2016 & 14.02.2017. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No. of Meeting Attended
Sh. Prashant Kochhar	Chairman	Non Executive Independent Director	4
Smt. Harbhajan Kaur Bal	Member	Non Executive Independent Director	4
Sh. Sunil Puri	Member	Non Executive Independent Director	4

**4. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee's composition meets the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Committee is primarily responsible to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend, if any. Sh. Nikhil Kalra, Company Secretary of the Company act as Compliance officer of the committee as per the requirement of SEBI Listing Regulation. During the year 2016-17 no complaint was received from the shareholders and investors

The committee met twenty two times during the in the financial year under review. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No. of Meeting Attended
Smt. Harbhajan Kaur Bal	Chairman	Non Executive Independent Director	22
Sh. Munish Avasthi	Member	Executive Promoter Director	22
Sh. Naresh Kumar Jain	Member	Executive Non Promoter Director	22

**5. NOMINATION AND REMUNERATION COMMITTEE AND POLICY****Composition:**

The Nomination & Remuneration Committee of the Company in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 comprise of three directors

- Sh. Sunil Puri, Chairman
- Smt. Harbhajan Kaur Bal
- Sh. Prashant Kochhar

**Terms of reference:**

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration

**A. Criteria of selection of Non-Executive Directors**

1. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
2. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under section 164 of the Companies Act, 2013.
3. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.

**B. Remuneration to Non-Executive Directors**

Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**C. Criteria of selection of Executive Directors**

For the purpose of selection of Executive Directors including Chairman & Managing Director and Whole Time Directors, the Nomination & Remuneration (N&R) Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**D. Remuneration to Executive Directors**

At the time of appointment or re-appointment, the Executive Director's including Chairman & Managing Director and Whole Time Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Executive Director's including Chairman & Managing Director and Whole Time Directors within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration comprises salary, allowances, perquisites, amenities and provident and other retirement benefits funds as approved by the shareholders at the General Meeting.

**E. Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members, if any) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the A&R Committee for its review and approval.

The committee met two times during the financial year under review on 13.08.2016 and 31.03.2017. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No. of Meeting Attended
Sh. Sunil Puri	Chairman	Non Executive Independent Director	2
Smt. Harbhajan Kaur Bal	Member	Non Executive Independent Director	2
Sh. Prashant Kochhar	Member	Non Executive Independent Director	2

**DETAILS OF THE REMUNERATION PAID/PAYABLE TO THE DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.****Executive Directors:**

Name	Designation	Salary (Rs.)	Allowances / Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Sh. Raj Kumar Avasthi	Chairman & Managing Director	87,00,000	26,72,577	6,27,000	-	1,19,99,577
Sh. Munish Avasthi	Managing Director	87,00,000	12,47,700	20,52,000	-	1,19,99,700
Sh. Naresh Kumar Jain	Executive Director	12,00,000	6,00,000	-	-	18,00,000

**Non Executive Independent Directors:**

Name	Designation	Amount (Rs)
Smt. Harbhajan Kaur Bal	Non Executive Independent Director	20,000
Sh. Prashant Kochhar	Non Executive Independent Director	20,000
Sh. Sunil Puri	Non Executive Independent Director	20,000

**Key Managerial Personnel**

Name	Designation	Amount (Rs)
Sh. Parveen Kumar Gupta	Chief Financial Officer	19,16,684
Sh. Nikhil Kalra	Company Secretary	4,92,895

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE****Composition:**

Pursuant to the provisions of section 135 and Schedule VII of the Companies Act, 2013, the company has framed a Corporate Social Responsibility (CSR) Committee which comprises of three Directors i.e. Sh. Munish Avasthi, Sh. Raj Kumar Avasthi & Smt. Harbhajan Kaur Bal. Mr. Munish Avasthi is the chairman of the committee. The Company formulated CSR Policy, which is uploaded on the Company's website.

**Terms of reference:**

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

The committee met once during the financial year under review on 31.03.2017. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No. of Meeting Attended
Sh. Munish Avasthi	Chairman	Executive Promoter Director	1
Sh. Raj Kumar Avasthi	Member	Executive Promoter Director	1
Smt. Harbhajan Kaur Bal	Member	Non Executive Independent Director	1

**7. INDEPENDENT DIRECTORS MEETING**

During the year under review, the Independent Directors met on 28.12.2015, inter alia, to discuss:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole.

- ii) Evaluation of performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarization program which provides information relating to the Company. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company.

#### **8. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Managing Director and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### **9. ANNUAL GENERAL MEETING:**

The Details of last three Annual General Meetings are as follows:

Meeting	Day	Date	Time	Venue	No. of Special Resolutions Passed
27 <sup>th</sup> AGM	Friday	30/09/16	2.00 P.M.	5/69, Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005	2
26 <sup>th</sup> AGM	Wednesday	30/09/15	2.00 P.M.	5/69, Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005	3
25 <sup>th</sup> AGM	Thursday	11/09/14	2.00 P.M.	5/69, Guru Mansion, 1st Floor Padam Singh Road, Karol Bagh, New Delhi-110005	6

The Company has not passed any resolution through postal ballot, during the financial year under review.

**10. DISCLOSURES**

The company has not entered into any transaction of a material nature with the Promoters, the Directors or the Management, their relatives etc. that may have any potential conflict with the interests of the company. The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

**11. MEANS OF COMMUNICATION**

The Company communicates with the shareholders through various means viz. through its Annual Reports, Publication of financial results, in leading newspapers and by filing of various reports and returns with the statutory bodies like Stock Exchanges and the Registrar of Companies.

Apart from this the quarterly unaudited financial results are published in prominent daily newspapers viz. Pioneer & Veer Arjun, New Delhi and also uploaded on the company's website [www.sportking.co.in](http://www.sportking.co.in).

**12. GENERAL SHAREHOLDERS INFORMATION:****i) 28<sup>th</sup> Annual General Meeting**

Date	09 <sup>th</sup> September, 2017
Time	2.00 P.M.
Venue	Regd. Office: 5/69, Guru Mansion, 1st Floor, Padam Singh Road, Karol Bagh, New Delhi -110 005, Delhi
<b>ii) Financial Calendar</b>	2017-18 (Tentative)
First Quarter Results (Unaudited)	On or before 14 <sup>th</sup> September, 2017
Second Quarter Results (Unaudited)	On or before 14 <sup>th</sup> December, 2017
Third Quarter Results (Unaudited)	On or before 14 <sup>th</sup> February, 2018
Fourth Quarter (Audited)	On or before 30 <sup>st</sup> May, 2018
<b>iii) Dates of Book Closure</b>	N.A.
<b>iv) Dividend Payment date</b>	No dividend declared.

**v) LISTING:**

The Equity Shares (fully paid) of the Company listed on Bombay Stock Exchange Limited (BSE). The Company has paid listing fees to BSE for the financial year 2017-18.

## vi. STOCK MARKET DATA (Script Code-539221)

Monthly high and low prices of the Company scrip during the year on the Bombay Stock Exchange Limited.

Month	BOMBAY STOCK EXCHANGE				
	High	Low	Closing Price	No. of Shares Traded	Total Turnover in Rs.
Apr 16	-	-	-	-	-
May 16	-	-	-	-	-
Jun 16	-	-	-	-	-
July 16	-	-	-	-	-
Aug 16	-	-	-	-	-
Sep 16	-	-	-	-	-
Oct 16	-	-	-	-	-
Nov 16	-	-	-	-	-
Dec 16	12.50	12.50	12.50	5	62
Jan 17	13.12	13.12	13.12	4	52
Feb 17	-	-	-	-	-
Mar 17	13.77	13.77	13.77	100	1,377

## vii. SHARE TRANSFER SYSTEM / REGISTRAR AND TRANSFER AGENT (RTA):

The Share transfer committee approves the transfer of shares in the physical form as per the time limit specified in the listing agreement. M/s Beetal Financial & Computer Services (P) Ltd is Registrar & Transfer Agent of the Company who has adequate staff & infrastructure to provide services to the shareholder and maintaining connectivity with both the depositories NSDL & CDSL.

viii) DISTRIBUTION OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH 2017.

RANGE		Shareholders		Shares	
No. of Shares		Nos.	% to Total	Nos.	% to Total Shares
Up to	500	1525	74.97	410300	11.52
501	1000	427	20.99	354050	9.95
1001	2000	35	1.72	50300	1.41
2001	3000	14	0.68	32800	0.92
3001	4000	1	0.04	3300	0.09
4001	5000	8	0.39	34600	0.97
5001	10000	6	0.29	48500	1.36
Above	10001	18	0.88	2627150	73.78
<b>TOTAL</b>		<b>2034</b>	<b>100.00</b>	<b>3561000</b>	<b>100.00</b>



**ix. DEMATERIALIZATION OF SHARES**

The International Securities Identification Number (ISIN) of equity shares of the Company is INE885H01011. The Shareholders are required to submit demat /remat request to depository participants (DP) with whom they maintain a demat account. DP sends the request for demat of shares along with physical share certificates to Registrar & Transfer Agents of the Company. The Registrar liaison with DP and NSDL/CDSL and acknowledge the receipt of physical share for demat and verify the genuineness. After verification the RTA updates the final demat register. The RTA forwards the confirmation report to CDSL/NSDL or rejection report as the case may be. As on 31st March 2017, 68.54% of shares held in dematerialized form and the rest in physical form.

**x. Outstanding GDRs, ADRs, Warrants or any Convertible instruments etc. : Nil****xi. PLANT LOCATIONS**

Village Kanech, Near Sahnewal, G.T. Road, Ludhiana - 141120

Village Barmalipur, Near Doraha, G.T. Road, Ludhiana - 141416

Village Jeeda, Kotkapura Road, Distt. Bathinda - 151201

**xii. Address for correspondence:**

Regd. Office: 5/69, Guru Mansion, 1st Floor,  
Padam Singh Road, Karol Bagh,  
New Delhi. 110005

**Registrar & Transfer Agent:**

Beetal Financial & Computer Services (P) Ltd.  
3rd Floor, 99 Madangir  
Behind Local Shopping Centre  
Near Dada Harsukhdaas Mandir  
New Delhi 110062  
Phone: 011-29961281, Fax: 011-29961284

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the code of conduct adopted by the Company.

**By Order of the Board**

**Place : Ludhiana**  
**Date : 14.08.2017**

**Raj Kumar Avasthi**  
**Chairman & Managing Director**  
**DIN:- 01041890**

**CEO / CFO CERTIFICATION**

To

The Board of Directors,  
Sportking India Limited

- (a) We have reviewed the financial statements, read with the cash flow statement of Sportking India Limited for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct..
- (c) We accept responsibility for establishing and maintaining internal controls for the financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee:
- (i) Significant changes, if any, in the internal control over the financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes of accounts to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**P K Gupta**  
**Chief Financial Officer**  
**Place: Ludhiana**  
**Dated : 14.08.2017**

**Raj Kumar Avasthi**  
**Chairman & Managing Director**  
**DIN:-01041890**

**Auditors' Certificate on Compliance of Corporate Governance under Corporate Governance Clause SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.**

To  
The Members of  
Sportking India Limited

We have examined the compliance of conditions of Corporate Governance by Sportking India Limited, for the year ended on 31st March 2017, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation there of adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on there presentations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Further, we state that no investors' grievances are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Rawla & Company**  
Chartered Accountants  
FRN : 001661N

**CA Hardeep Singhal**  
(Partner)  
M.No.505618

**Place : Ludhiana**  
**Date : 14.08.2017**

**INDEPENDENT AUDITOR'S REPORT****To the Members of Sportking India Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Sportking India Limited ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit & cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .
    - iii. there were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 27 to the financial statements

**For Rawla & Company**  
Chartered Accountants  
FRN : 001661N

**CA Hardeep Singhal**  
**(Partner)**  
**M.No.505618**

**Place : Ludhiana**  
**Date : May 22, 2017**

**ANNEXURE-A TO THE AUDITORS' REPORT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2017**

The annexure referred to in Paragraph (1) of Independent Auditor's report to the members of the Company on the financial statements for the year ended 31st March, 2017, we report that:

**1. In respect of fixed assets**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company has maintained proper record of inventories. The inventories have been physically verified during the year by the management. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
  3. According to information & explanations given to us, the company had not granted any loans, secured & unsecured to Companies, Firms, Limited Liability Partnerships, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
  4. According to information and explanations given to us, the company had not granted any loans or provided any guarantees or securities or made any investments as covered under section 185/186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
  5. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act and the rules framed thereunder to the extent notified.
  6. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014, prescribed by the Central Government of India, under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

**7. In respect of statutory dues:**

- a) The company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Value Added Tax, Service tax, Customs duty, Excise duty, Cess and other statutory dues with the appropriate authorities except installment of advance income tax. According to the information and explanations given to us, no undisputed amounts payable in respect aforesaid dues were outstanding as at March 31, 2017 for a

period of more than six months from the date of becoming payable except following: -

Name of the Statute	Nature of the dues	Amount (₹ in lacs)	Period to which the amount relates	Due Date
Income Tax	Advance Income Tax	140.22	June 2016	15/06/2016
Income Tax	Advance Income Tax	280.44	September 2016	15/09/2016

- b) According to information and explanations given to us, there are no dues of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Value Added Tax, Service tax, Customs duty, Excise duty, Cess and other statutory dues which have not been deposited on account of any disputes except the following:

Name of the Statute	(Nature of Dues)	Financial Year to which relates	Amount (₹ in Lacs)	Forum where dispute is (F.Y) Pending
Income Tax Act, 1961	Income Tax	1997-98	Nil*	Hon'ble Supreme Court of India
		2005-06	99.58	Commissioner of Income Tax (Appeals)
		2008-09 2009-10 2010-11 2011-12 & 2013-14	256.51**	
		2007-08	Nil*	
Punjab Vat Act, 2005	Vat/C.S.T.	2006-07	4.34	Deputy Excise & Taxation Commissioner (Appeals)
		2007-08	19.24	
		2016-17	5.82	
Provident Fund Act, 1952	Provident Fund	1993-94, 1994-95 & 1997-98	1.88	Employees Provident Fund Appellate Tribunal, New Delhi
Provident Fund Act, 1952	Provident Fund	1995-96, 1997-98 & 1998-99	6.70***	Employees Provident Fund Appellate Tribunal, New Delhi
Finance Act, 1994	Excise tax	2010-11	44.87	Joint Secretary, Ministry of Finance, New delhi
Electricity Act 2003	Electricity Charges	2011-12	415.00	High Court of Punjab, Haryana and Chandigarh

\* The income tax department is in appeal.

\*\* Net of MAT Credit Entitlement.

\*\*\* Net of ₹ 2.23 Lacs already paid under protest pending for final verdict.

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, and banks. Further the company had neither issued any debentures or nor raised any borrowings from the government.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For Rawla & Company**  
**Chartered Accountants**  
**FRN : 001661N**

**CA Hardeep Singhal**  
**(Partner)**  
**M.No.505618**

**Place : Ludhiana**  
**Date : May 22, 2017**



**ANNEXURE - B TO THE AUDITORS' REPORT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2017****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Sportking India Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable

assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : Ludhiana**  
**Date : May 22, 2017**

**For Rawla & Company**  
**Chartered Accountants**  
**FRN : 001661N**

**CA Hardeep Singhal**  
**(Partner)**  
**M.No.505618**

## BALANCE SHEET AS ON 31ST MARCH, 2017

(Rupees in Lakhs ₹)

PARTICULARS	NOTE	AS AT	AS AT
		31.03.2017	31.03.2016
<b>1. EQUITY AND LIABILITIES</b>			
1) Shareholders Funds			
(a) Share Capital	1	1191.51	1191.35
(b) Reserves & Surplus	2	17539.06	15335.18
		<b>18730.57</b>	<b>16526.53</b>
2) Non-current liabilities			
(a) Long-Term Borrowings	3	19665.49	25681.57
(b) Deferred Tax Liabilities (Net)	4	1698.00	2493.00
(c) Long-Term Provisions	5	564.33	508.93
		<b>21927.82</b>	<b>28683.50</b>
3) Current liabilities			
(a) Short-Term Borrowings	6	25590.91	25821.08
(b) Trade Payables	7	2143.45	1857.02
(c) Other Current Liabilities	8	7980.59	7702.90
(d) Short-Term Provisions	9	1069.10	502.72
		<b>36784.05</b>	<b>35883.72</b>
<b>TOTAL</b>		<b>77442.44</b>	<b>81093.75</b>
<b>2. ASSETS</b>			
1) Non-current assets			
(a) Property, Plant & Equipment	10		
(i) Tangible Assets		34037.80	39680.93
(ii) Intangible Assets		132.23	179.68
(iii) Tangible Capital Work-in-Progress		740.84	197.24
(b) Long-Term Loans and Advances	11	1083.81	1071.67
		<b>35994.68</b>	<b>41129.52</b>
2) Current assets			
(a) Inventories	12	30258.30	26801.41
(b) Trade Receivables	13	5780.63	4874.98
(c) Cash and cash equivalents	14	52.06	298.63
(d) Short-Term Loans and Advances	15	1810.29	3516.78
(e) Other Current Assets	16	3546.48	4472.43
		<b>41447.76</b>	<b>39964.23</b>
<b>TOTAL</b>		<b>77442.44</b>	<b>81093.75</b>
Significant Accounting Policies and Notes on Accounts	1-36		

As per our report of even date attached

For &amp; on behalf of Board of Directors

**For Rawla & Company**  
Chartered Accountants  
(FRN-00166IN)

**(Raj Kumar Avasthi)**  
Chairman & Managing Director  
DIN: 01041890

**(Munish Avasthi)**  
Managing Director  
DIN: 00442425

**(Naresh Kumar Jain)**  
Executive Director  
DIN: 00254045

**CA Hardeep Singhal**  
(Partner)  
M. No. 505618

**Ludhiana**  
**May 22, 2017**

**(P.K. Gupta)**  
Chief Financial Officer

**(Nikhil Kalra)**  
Company Secretary  
M. No. A30289

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rupees in Lakhs ₹)

PARTICULARS	NOTE	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
<b>Income</b>			
Revenue from Operations	17	101407.26	103507.69
Other Income	18	1403.61	440.79
<b>Total Revenue</b>		<b>102810.87</b>	<b>103948.48</b>
<b>Expenses</b>			
Cost of Materials Consumed	19	61150.14	61675.52
Purchase of Traded Goods	20	1983.60	5422.65
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	879.90	-131.20
Employee Benefits Expenses	22	6756.19	6317.53
Finance Costs	23	3948.54	5107.15
Depreciation and Amortisation Expenses	10	5797.76	5906.39
Other Expenses	24	18797.67	17608.00
<b>Total Expenses</b>		<b>99313.80</b>	<b>101906.04</b>
<b>Profit before tax</b>		<b>3497.07</b>	<b>2042.44</b>
Tax Expense:			
Current Tax	25	2028.56	870.87
Deferred Tax		-795.00	34.00
Tax Penalty		60.00	0.00
<b>Profit for the period</b>		<b>2203.51</b>	<b>1137.57</b>
Earning per Equity Share of Face Value of ₹ 10/- each:			
Basic		61.88	31.95
Diluted		61.88	31.95
Significant Accounting Policies and Notes on Accounts	1-36		

As per our report of even date attached

For &amp; on behalf of Board of Directors

**For Rawla & Company**  
Chartered Accountants  
(FRN-00166IN)

**(Raj Kumar Avasthi)**  
Chairman & Managing Director  
DIN: 01041890

**(Munish Avasthi)**  
Managing Director  
DIN: 00442425

**(Naresh Kumar Jain)**  
Executive Director  
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**CA Hardeep Singhal**  
(Partner)  
M. No. 505618

**Ludhiana**  
**May 22, 2017**

**(P.K. Gupta)**  
Chief Financial Officer

**(Nikhil Kalra)**  
Company Secretary  
M. No. A30289

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	(Rupees in Lakhs ₹)	
	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
<b>A. CASH FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax & extraordinary items		
Net Profit before tax	3497.07	2042.44
Adjustments for :		
Depreciation	5797.76	5906.38
Interest on Borrowings	3416.24	4567.09
Interest/Rent/Dividend Income	-161.98	-93.64
Profit/Loss on Assets Sold (Net)	-0.28	-1.14
<b>OPERATING PROFIT (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>12548.81</b>	<b>12421.13</b>
Adjustments for :		
Trade and Other Receivables	643.36	2285.72
Inventories	-3456.90	-10799.99
Trade Payable and Other liabilities	1405.56	-1587.05
<b>Cash Generated from operating activities</b>	<b>11140.83</b>	<b>2319.81</b>
Taxes Paid	472.77	48.26
<b>Net Cash from operating activities</b>	<b>10668.06</b>	<b>2271.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	-652.11	-838.64
Sale of Fixed Assets	1.60	116.37
Securities	-11.87	-403.58
Advances for Investing Activities	-0.26	33.38
Interest/Rent/Dividend Received	161.98	93.64
<b>Net Cash used in Investing Activities</b>	<b>-500.66</b>	<b>-998.83</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from the issue of Share Capital	0.53	0.28
Proceeds from the Long Term Borrowings	0.00	31.36
Proceeds from the Short Term Borrowings	-230.17	7948.53
Repayment of Long Term Borrowings	-6768.08	-4665.47
Interest Paid	-3416.24	-4567.09
<b>Net Cash used in Financing Activities</b>	<b>-10413.96</b>	<b>-1252.39</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-246.57</b>	<b>20.33</b>
Opening Cash and Cash Equivalents	298.63	278.30
<b>Closing Cash and Cash Equivalents</b>	<b>52.06</b>	<b>298.63</b>

Notes:-

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by ICAI.
- 2) Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date attached

For &amp; on behalf of Board of Directors

For Rawla & Company  
Chartered Accountants  
(FRN-00166IN)

(Raj Kumar Avasthi)  
Chairman & Managing Director  
DIN: 01041890

(Munish Avasthi)  
Managing Director  
DIN: 00442425

(Naresh Kumar Jain)  
Executive Director  
DIN: 00254045

CA Hardeep Singhal  
(Partner)  
M. No. 505618  
Ludhiana  
May 22, 2017

(P.K. Gupta)  
Chief Financial Officer

(Nikhil Kalra)  
Company Secretary  
M. No. A30289

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017****CORPORATE INFORMATION**

Sportking India Limited (The Company) is a public company incorporated under the provisions of the Companies Act, 1956 on 15th February 1989. The company is engaged in manufacturing of Cotton Yarn, Synthetic Yarn and Blended Yarn and of Dyeing Activity. The Company has two manufacturing units at Ludhiana and one at Bathinda.

**SIGNIFICANT ACCOUNTING POLICIES****a) Accounting Convention :**

The financial statements are prepared under historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India and the requirements of Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting pronouncements of The Institute of Chartered Accountants of India. Value Added Tax (VAT), Income Tax and Service Tax, Cess, Insurance Claims etc. which are accounted for as and when final demand/refund/claim is determined on final assessment.

**b) Use of Estimates :**

The preparation of financial statements requires the management of the company to make estimates and assumption that effect the reported balances of assets/liabilities and disclosure relating to the contingent liabilities and provisions as at the date of the financial statements and reported amounts of income and expenses during the year. The difference between the actuals and estimates are recognized in the year such amounts are known/materialised

**c) Provisions, Contingent Liabilities and Contingents Assets :**

Provisions involving substantial degree of estimation in measurement are recognized where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements/notes.

**d) Property, Plant and Equipment :**

- (i) Property, Plant & Equipment are stated at cost of acquisition, net of cenvat credit /terminal excise duty, additional custom duty including net effect on foreign exchange fluctuation/contracts, financial cost and other incidental expenses till the commencement of commercial production attributable to acquisition or construction/installation of Plant, Property & Equipment less depreciation and impairment loss.
- (ii) Capital works in progress are carried at cost, comprising direct cost, finance cost, net effect on foreign fluctuation/contracts and related incidental expenses.
- (iii) Intangible assets are stated at cost of acquisition less accumulated amortisation.
- (iv) The company has provided depreciation on the Plant, Property & Equipment when it is put to use on the basis of the useful life of the assets as prescribed in Schedule II under the provisions of The Companies Act, 2013
- (v) Renovation to premises taken on lease by the company have been amortised over the period of lease and in case of premature termination would be written off fully.
- (vi) Electricity Line Expenses / Service Connection Charges being intangible assets are amortised over a period of 5 years.
- (vii) Computer Software being intangible assets are amortised over a period of 5 years.

**e) Impairment of Assets :**

At each balance sheet date the carrying amounts of Property, Plant & Equipment are reviewed by the management to determine whether there is any indication that these assets had suffered an impairment loss. If any such indication exists recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing, value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the statement of profit and loss account.

**f) Inventories :**

These are valued as under:

- i) Raw Material, Work-in-Process and useable waste At cost or net realisable value whichever is lower.
- ii) Stores & Spares At cost less provision for obsolescence or net realisable value whichever is lower.
- iii) Finished Goods At cost plus excise duty payable on sale or net realisable value whichever is lower.
- iv) Unusable waste At net realisable value
- v) Cenvat credit/Terminal Excise Duty paid on inputs is accounted for by reducing the purchase cost of related inputs.
- vi) The raw material, stores & spares and raw-material contents of work-in-process are valued by using the first-in-first out (FIFO) method while the finished goods are valued by using weighted average cost method. Cost relating to finished goods/work-in-process means direct raw material cost and allocable manufacturing expenses.
- vii) The company makes provision for the value of goods in transit at the year end for imported/indigenous raw material only.
- viii) The policy of valuation of inventories is in accordance with Accounting Standard-2 (Revised) 'Valuation of Inventories' issued by the Institute of Chartered Accountants of India.

**g) Sales/Revenue Recognition :**

- i) Domestic sales are accounted, net of returns & trade discounts, on dispatch of products to customers from the works/warehouses and export sales on shipment of goods. Sales within India comprising of sale of goods and services are inclusive of excise duty, if any. The sale value of goods on which value added tax has already been charged, are exclusive of such tax.
- ii) The revenue in respect of export benefit is recognized on post exports basis, at the rate at which the entitlement accrues, to the extent the company is reasonably certain of the realisable value.

**h) Excise Duty :**

The excise duty liability has been accounted for in respect of the finished goods/ useable waste cleared/ lying in the factory/bonded premises which are liable to excise duty provided the cenvat of excise duty/ additional custom duty of the inputs have been availed.

**i) Employee Benefits :**

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss account of the year in which the related service is rendered.

- ii) Long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains / losses in respect of long term benefits are adjusted to the profit and loss account.

**j) Subsidy :**

Government's Capital Investment Subsidy in the nature of promoters' contribution represents Capital Reserve.

**k) Direct Taxes :**

i) Current Tax

Provision for Income Tax, if any, is based on the assessable profits, computed in accordance with the provisions of Income Tax Act, 1961

ii) Defered Tax

Deferred Income tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets or liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

**l) Foreign Currency Transactions :**

- i) Foreign currency transactions are accounted for at equivalent rupee value converted at the exchange rates prevailing at the time of such transaction
- ii) Monetary Assets & Liabilities in foreign currency are translated at the year-end rate through exchange fluctuation account to the respective accounts as per the guidance note issued by The Institute of Chartered Accountants of India
- iii) Any income or expense on account of exchange differences either on settlement or translation is recognized in the revenue account except in cases where they relate to acquisition of Property Plant & Equipment and before put to use in which case they are adjusted to the carrying cost of such assets.
- iv) Financial derivatives and hedging contracts are accounted on the date of settlement. The accrued/ realised gain/loss in respect of the settled contracts/ renewed/ cancelled is only recognized in the books of accounts.

**m) Prior Period Items :**

Income and expenditure which relate to significant items of prior accounting period other than those occasioned during the close of accounting year to which it is relatable, is considered in current year.

**n) Borrowing Costs :**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset till the asset is ready for use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

**o) Lease :**

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to profit and loss account over the period of lease.



(Rupees in Lakhs ₹)

PARTICULARS	AS AT	AS AT
	31-03-2017	31-03-2016

**NOTE - 1 : SHARE CAPITAL****Authorised**

50,00,000 (Previous year 50,00,000)  
Equity Shares of ₹ 10/- each 500.00 500.00

2,00,00,000 (Previous year 2,00,00,000)  
5% Redeemable Non- Cumulative  
Preference Shares of ₹ 10/- each 2000.00 2000.00

**Issued**

35,61,000 (Previous Year 35,61,000)  
Equity Shares of ₹ 10/- each fully paid up 356.10 356.10

85,16,200 (Previous Year 85,16,200)  
5% Redeemable Non -Cumulative  
Preference Shares of ₹ 10/- each fully paid up 851.62 851.62

1207.72 1207.72

**Subscribed and fully paid up**

30,77,500 (Previous Year 30,72,600)  
Equity Shares of ₹ 10/- each fully paid up 307.75 307.26

85,16,200 (Previous Year 85,16,200)  
5% Redeemable Non- Cumulative  
Preference Shares of ₹ 10/- each fully paid up 851.62 851.62

1159.37 1158.88

**Subscribed but not fully paid up**

4,83,500 (Previous Year 4,88,400)  
Equity Shares of ₹ 10/- each partly paid up 48.35 48.84

Less : Calls in Arrears  
a) From directors & officers 0.00 0.00  
b) From others 16.21 16.37

32.14 32.47

1191.51 1191.35

- a) Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the company, the holders are entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders
- b) Preference shares are having preference over equity shares in respect of payment of 5% dividend and repayment of capital over equity shareholders and is entitled to voting rights in the resolutions directly affecting their interest and on all resolution at every meeting of the company if the dividends to them are in arrears for the two financial years immediately preceding the last meeting or for any three years during the period of six years ending with the financial years preceeding the last meeting. Preference shares are redemable within 20 years from the date of allotment.

**Current Year****Previous Year**

No. of Preference Shares to be Redeemed	Date of Redemption	No. of Preference Shares to be Redeemed	Date of Redemption
i) 24,39,000	31.03.2021	i) 24,39,000	31.03.2021
ii) 8,85,200	31.07.2026	ii) 8,85,200	31.07.2026
iii) 23,00,000	31.03.2031	iii) 23,00,000	31.03.2031
iv) 28,92,000	31.03.2032	iv) 28,92,000	31.03.2032

- c) The amount remaining unpaid on account of calls in arrear of public issue of 9,28,500 Equity Shares of ₹ 10/- each for cash at a premium of ₹ 25/- per share have been apportioned between Share Capital (₹ 16.21 Lacs) (P.Y. ₹ 16.37 Lacs) and Share Premium Account (₹ 37.82 Lacs) (P.Y. ₹ 38.19 Lacs) in the ratio of three to seven.

(Rupees in Lakhs ₹)

PARTICULARS	AS AT			
	31-03-2017	31-03-2016		
d) Reconciliation of the Number of shares				
i) Equity shares				
Opening Balance	3561000	3561000		
Add: Addition during the year	0	0		
Less : Reduction in shares	0	0		
Closing Balance	<u>3561000</u>	<u>3561000</u>		
ii) Preference shares				
Opening Balance	8516200	8516200		
Add: Addition during the year	0	0		
Less : Reduction in shares	0	0		
Closing Balance	<u>8516200</u>	<u>8516200</u>		
e) Details of shares held by each shareholder more than 5% shares :				
Class of shares / Name of shareholder				
i) Equity shares with voting rights	No. of Shares held	% of Holding	No. of Shares held	% of Holding
-Namokar Capital Services Limited	798985	(22.44%)	798985	(22.44%)
-Angel Finvest (P) Limited	487900	(13.70%)	487900	(13.70%)
-Sobhagia Sales Private Limited*	425565	(11.95%)	425565	(11.95%)
-Sh. Raj Kumar Avasthi	316700	(8.89%)	203200	(5.71%)
-Sh. Munish Avasthi	230700	(6.48%)	129300	(3.63%)
-Punjab State Industrial Development Corp. Ltd.	0	(0.00%)	200000	(5.62%)
ii) Redeemable preference shares				
-Sobhagia Sales Private Limited*	3958200	(46.48%)	3958200	(46.48%)
-Sh. Raj Kumar Avasthi	2489000	(29.23%)	2489000	(29.23%)
-Sobhagia Clothing Co. (Through Partners)	1240000	(14.56%)	1240000	(14.56%)
-Angel Finvest (P) Limited	529000	(6.21%)	529000	(6.21%)
* Classic Wears Private limited merged with Sobhagia Sales Private Limited as per the Hon'ble High Court of Punjab & Haryana Order dated 2nd September, 2016 due to which Shares of Sobhagia Sales Private Limited includes 130550 Equity Shares & 2018000 Preference Shares of Classic Wears Private Limited				
f) No. of shares for the period of five years immediately preceeding the date as at which the Balance Sheet is prepared:				
i) Equity Shares				
- Alloted as Fully paid up pursuant to contract(s) without payment being received in cash	-		-	
- Alloted as Fully paid up by way of bonus shares	-		-	
- Shares bought back	-		-	
ii) Preference Shares				
- Alloted as Fully paid up pursuant to contract(s) without payment being received in cash	-		-	
- Alloted as Fully paid up by way of bonus shares	-		-	
- Shares bought back	-		-	

(Rupees in Lakhs ₹)

PARTICULARS	AS AT	AS AT
	31-03-2017	31-03-2016
<b>NOTE - 2 : RESERVE AND SURPLUS</b>		
a) Capital Redemption Reserve		
As per Last Balance Sheet	368.48	325.90
Add: Transfer from Statement of Profit & Loss	42.58	42.58
	<b>411.06</b>	<b>368.48</b>
b) Securities Premium Reserve		
As per Last Balance Sheet*	4729.85	4729.85
Less: Call in arrears*	37.82	38.19
	<b>4692.03</b>	<b>4691.66</b>
* Refer Note No. 1 ( c)		
c) Capital Investment Subsidy Reserve		
As per Last Balance Sheet	90.00	90.00
	<b>90.00</b>	<b>90.00</b>
d) General Reserve		
As per Last Balance Sheet	3.00	3.00
	<b>3.00</b>	<b>3.00</b>
e) Statement of Profit and Loss		
As per the last financial statement	10182.04	9087.05
Add: As per Statement of profit and loss	2203.51	1137.57
Less: Transfer to Capital Redemption Reserve	42.58	42.58
Closing Balance	<b>12342.97</b>	<b>10182.04</b>
	<b>17539.06</b>	<b>15335.18</b>

**NOTE - 3 : LONG TERM BORROWINGS**

a) Secured		
i) Term loans :		
- From Banks		
Rupee Loans	9512.85	13382.25
Foreign Currency Loans (FCL)	10052.64	11570.51
	<b>19565.49</b>	<b>24952.76</b>
ii) Buyer's Credit (Machinery) under Bank's LOU		
Foreign Currency Loans (FCL)	0.00	628.81
b) Unsecured Loans and advances:		
- From Directors	100.00	100.00
	<b>19665.49</b>	<b>25681.57</b>

- i) The term loans from State Bank of India, State Bank of Patiala \*, Punjab National Bank, Central Bank of India, Punjab & Sind Bank and Allahabad Bank are secured against a) first pari-pasu charge on hypothecation and mortgage of all present and future Plant & Machinery and Land/Building of the Company situated at Village Meharban / Village Kanech / Village Barmalipur, Ludhiana and Village Jeeda, Bathinda. b) second pari-pasu charge on hypothecation of current assets of the company and c) equitable mortgage of commercial land & building situated at Village Barmalipur, Ludhiana owned by Sh. Raj Kumar Avasthi (Chairman & Managing Director) & Sh. Munish Avasthi (Managing Director)
- ii) The term loans from HDFC Bank Limited/ ICICI Bank Limited, are secured against hypothecation of respective vehicles
- iii) The Loan of ₹ 100.00 Lacs from Sh. Munish Avasthi (Managing Director) carry NIL interest and is not repayable before 31.03.2018
- iv) The Company has not defaulted in repayment of loans and interest .
- v) Terms of repayment of term loans including acceptance payable / buyer credit forming part of term loans.

**CURRENT YEAR**

Name of Bank	AS AT 31.03.2017	Installments o/s as at 31.03.2017	Payable within 12 months
<b>Term Loans Project</b>		<b>(Quarterly)</b>	
Punjab National Bank (INR) (FCL)	0.20 120.12	3	120.32
Punjab National Bank (INR) (FCL)	5.50 2398.03	11	511.79
Punjab National Bank (INR) (FCL)	4.98 2529.00	25	212.11
State Bank of Patiala- (INR)* (FCL)*	4.18 2089.95	10	811.73
Allahabad Bank	1168.33	10	293.00
Allahabad Bank	5138.48	19	543.00
Central Bank of India	4619.40	20	624.00
State Bank of India- (INR) (FCL)	20.39 3346.39	19	519.11
Punjab & Sind Bank (INR) (FCL)	217.11 1816.22	20	288.84
<b>Term Loans Vehicles</b>		<b>(Monthly)</b>	
ICICI Bank Limited	1.80	17	1.27
ICICI Bank Limited	1.80	17	1.27
ICICI Bank Limited	2.13	17	1.49
ICICI Bank Limited	2.18	17	1.52
ICICI Bank Limited	2.18	17	1.52
ICICI Bank Limited	2.18	17	1.52
ICICI Bank Limited	2.18	17	1.52
ICICI Bank Limited	2.42	17	1.69
ICICI Bank Limited	1.79	17	1.26
ICICI Bank Limited	1.79	17	1.26
ICICI Bank Limited	1.20	4	1.19
ICICI Bank Limited	4.41	30	1.64
ICICI Bank Limited	2.47	14	2.12
ICICI Bank Limited	3.53	14	3.03
ICICI Bank Limited	2.58	14	2.22
ICICI Bank Limited	2.78	14	2.39
	<b>23516.30</b>		<b>3950.81</b>
Net of Instalments	19565.49		

PREVIOUS YEAR Name of Bank	AS AT 31.03.2016	Installments o/s As at 31.03.2016	Payable within 12 months
<b>Term Loans Project</b>		<b>(Quarterly)</b>	
State Bank of Patiala- (INR)* (FCL)*	0.27 236.84	3	237.11
State Bank of Patiala- (INR)* (FCL)*	4.18 2894.76	14	510.00
Punjab National Bank (INR) (FCL)	156.29 156.21	4	312.50
Punjab National Bank (INR) (FCL)	32.53 29.97	4	62.50
Punjab National Bank (INR) (FCL)	0.00 63.12	4	63.12
Punjab National Bank (INR) (FCL)	0.19 303.50	7	140.00
Punjab National Bank (INR) (FCL)	1.16 3438.58	15	704.00
Punjab National Bank (INR) (FCL)	0.21 2906.18	30	292.00
Allahabad Bank	1593.33	16	340.00
Allahabad Bank	6043.48	24	724.00
Central Bank of India	5243.41	24	624.00
State Bank of India- (INR) (FCL)	20.39 4049.99	23	376.50
Punjab & Sind Bank	2415.34	24	288.84
<b>Term Loans Vehicles</b>		<b>(Monthly)</b>	
HDFC Bank Limited	1.23	10	1.23
ICICI Bank Limited	0.42	1	0.42
ICICI Bank Limited	2.93	29	1.13
ICICI Bank Limited	2.93	29	1.13
ICICI Bank Limited	3.47	29	1.35
ICICI Bank Limited	3.56	29	1.38
ICICI Bank Limited	3.56	29	1.38
ICICI Bank Limited	3.55	29	1.38
ICICI Bank Limited	3.55	29	1.38
ICICI Bank Limited	3.95	29	1.53
ICICI Bank Limited	2.93	29	1.13
ICICI Bank Limited	2.93	29	1.13
ICICI Bank Limited	4.58	16	3.39
ICICI Bank Limited	5.89	42	1.48
ICICI Bank Limited	4.38	26	1.91
ICICI Bank Limited	6.26	26	2.73
ICICI Bank Limited	4.58	26	2.00
ICICI Bank Limited	4.94	26	2.16
	<b>29655.57</b>		<b>4702.81</b>
Net of Instalments	24952.76		

\* Now merged with state Bank of India.

PARTICULARS	(Rupees in Lakhs ₹)	
	AS AT 31-03-2017	AS AT 31-03-2016
<b>NOTE - 4 : DEFFERED TAX LIABILITIES</b>		
Deferred tax liabilities		
Related to Property, Plant and Equipment	2048.00	2685.00
Deferred tax assets		
Compensated absences and Gratuity, House Tax and Others	350.00	192.00
	<b>1698.00</b>	<b>2493.00</b>
<b>NOTE - 5 : LONG TERM PROVISIONS</b>		
Provision of employee benefits: (Refer to Note No. 22 (i))		
a) Leave encashment	176.60	160.45
b) Gratuity	387.73	348.48
	<b>564.33</b>	<b>508.93</b>
<b>NOTE - 6 : SHORT TERM BORROWINGS</b>		
Secured		
- Working Capital borrowings from banks		
Rupee Loans	3784.98	8679.40
Foreign Currency Loans (FCL)	15521.11	13017.02
	19306.09	21696.42
- Acceptances payable/ Buyer's Credit under Bank's LC/LOU		
Acceptances (Raw Material) payable in Foreign Currency	3343.94	0.00
Buyer Credit (Raw Material) repayable in Foreign Currency	2325.31	4124.66
Buyer Credit (Machinery) repayable in Foreign Currency	615.57	0.00
	<b>6,284.82</b>	<b>4,124.66</b>
	<b>25590.91</b>	<b>25821.08</b>
	<b>Current Year</b>	<b>Previous Year</b>
<b>i) Secured</b>	<b>Total outstanding</b>	<b>Total outstanding</b>
Cash Credit / Export Packing Credit Limits		
State Bank of India (INR)	326.69	340.69
(FCL)	7117.27	5498.47
State Bank of Patiala (INR)*	51.38	63.34
(FCL)*	3751.01	3631.74
Punjab National Bank (INR)	377.48	435.01
(FCL)	4652.83	3886.81
Central Bank of India	0.00	661.81
Punjab & Sind Bank	0.00	850.15
Warehouse Receipt Limits		
Punjab National Bank	3029.43	4947.43
State Bank of India	-	1,380.97
	<b>19306.09</b>	<b>21696.42</b>
ii) The Working capital borrowings (Cash Credit / Export Packing Credit) and Acceptances Payable/Buyer Credit/Letter of Credit/ Bank Guarantee Limit from consortium member banks viz. State Bank of India, State Bank of Patiala, Punjab & Sind Bank, Central Bank of India and Punjab National Bank are secured against first pari-pasu charge on all the current assets of the company including raw material, consumable stores & spares, stock in process, finished goods, bills, book debts and receivables and further collaterally secured against second charge on the Property, Plant & Equipment of the company at Village Meharban, Village Kanech, Village Barmalipur, Ludhiana, Village Jeeda Bathinda and equitable mortgage of commercial land & building situated at Village Barmalipur, Ludhiana owned by Sh. Raj Kumar Avasthi (Chairman & Managing Director) & Sh. Munish Avasthi (Managing Director)		
* Now merged with State Bank of India.		
iii) The working capital borrowings (Pledge of Warehouse Receipts) from State Bank of India and Punjab National Bank are secured against pledge of warehouse receipts of the raw cotton bales stored in approved warehouse. These working capital borrowings are further guaranteed by Sh. Raj Kumar Avasthi (Chairman & Managing Director) & Sh. Munish Avasthi (Managing Director)		
iv) Working capital loans are repayable on demand.		

PARTICULARS	(Rupees in Lakhs ₹)	
	AS AT 31-03-2017	AS AT 31-03-2016
<b>NOTE - 7 : TRADE PAYABLES</b>		
a) Due to micro and small Enterprises*	125.50	108.30
b) Others	2017.95	1748.72
	<b>2143.45</b>	<b>1857.02</b>
*The details of the amount outstanding to "Micro Small and Enterprises" are based on available information with the Company and the outstanding balance beyond 45 days is ₹NIL (Previous year ₹NIL )		
<b>NOTE - 8 : OTHER CURRENT LIABILITIES</b>		
a) Current Maturities of long term debt (Refer to Note No. 3)	3950.81	4702.81
b) Interest accrued but not due on borrowings	3.63	12.90
c) Interest accrued and due on borrowings	89.41	161.07
d) Advance from Customers	475.08	251.32
e) Creditors for Capital Expenditure	8.04	8.27
f) Security deposit/retention money	24.30	16.00
g) Other liabilities		
Statutory dues	262.48	310.95
Employee dues	894.58	760.20
Others	2272.26	1479.38
	<b>7980.59</b>	<b>7702.90</b>
<b>NOTE - 9: SHORT TERM PROVISIONS</b>		
a) Provision for Taxation		
Provision	2073.99	892.72
Less: Paid / MAT Credit	1086.62	437.72
	<b>987.37</b>	<b>455.00</b>
b) Provision of employee benefits (Refer Note No. 22 (i))		
- Leave encashment	25.52	15.79
- Gratuity	56.21	31.93
	<b>81.73</b>	<b>47.72</b>
	<b>1069.10</b>	<b>502.72</b>

## \*NOTE - 10 : Property, Plant &amp; Equipment (Rupees In Lakhs ₹)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01-04-2016	Addition during the year	Sale/Adjustment during the year	As on 01-04-2016	Provided For the Year	Sale/Adjustment during the year	As on 31-03-2017	As on 31-03-2016
<b>i) Tangible Assets</b>								
Land	1722.51	0.00	0.00	0.00	0.00	0.00	1722.51	1722.51
Building	17935.49	0.00	0.00	3084.73	576.87	0.00	3661.60	14273.88
Building Lease Hold	141.30	0.00	0.00	76.41	16.22	0.00	92.63	64.89
Plant & Machinery	51782.38	113.90	26.48	29147.93	5072.15	25.15	34194.93	22634.45
Vehicles	560.95	0.00	0.00	295.09	62.80	0.00	357.88	265.86
Furniture & Fixture	271.92	1.37	0.00	129.46	29.02	0.00	158.48	142.46
<b>TOTAL</b>	<b>72414.55</b>	<b>115.26</b>	<b>26.48</b>	<b>32733.62</b>	<b>5757.06</b>	<b>25.15</b>	<b>38465.53</b>	<b>39680.93</b>
Previous Year	71036.54	1379.54	1.53	26876.16	5857.46	0.00	32733.62	44160.37
<b>ii) Intangible Assets</b>								
Particulars	As on 01-04-2016	Addition during the year	Sale/Adjustment during the year	As on 01-04-2016	Provided for the year	Sale/Adjustment during the year	As on 31-03-2017	As on 31-03-2016
Computer Software	191.21	4.95	0.00	46.81	37.53	0.00	84.34	144.40
Electric Line Expenses	359.57	0.14	11.84	324.29	3.17	0.00	327.46	35.28
<b>TOTAL</b>	<b>550.78</b>	<b>5.09</b>	<b>11.84</b>	<b>371.10</b>	<b>40.70</b>	<b>0.00</b>	<b>411.80</b>	<b>179.68</b>
Previous Year	376.83	173.95	0.00	322.17	48.93	0.00	371.10	62.10
<b>iii) Capital Work in Progress</b>								
TANGIBLE ASSETS	197.24	563.24	19.65	0.00	0.00	0.00	0.00	197.24
INTANGIBLE ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>197.24</b>	<b>563.24</b>	<b>19.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>197.24</b>
PREVIOUS YEAR	1025.79	286.75	1115.29	0.00	0.00	0.00	197.24	1025.79
<b>NET TOTAL</b>	<b>73162.57</b>	<b>683.59</b>	<b>57.96</b>	<b>33104.72</b>	<b>5797.76</b>	<b>25.15</b>	<b>38877.34</b>	<b>40057.85</b>
PREVIOUS YEAR TOTAL	72439.16	1840.24	1116.82	27198.33	5906.39	0.00	33104.72	45248.26



PARTICULARS	(Rupees in Lakhs ₹)	
	AS AT 31-03-2017	AS AT 31-03-2016
<b>NOTE - 11: LONG TERM LOANS &amp; ADVANCES</b>		
Unsecured but considered good		
a) Capital Advances	92.94	81.77
b) Security Deposits	967.73	955.86
c) Others-Prepaid Expenses	23.14	34.04
	<b>1083.81</b>	<b>1071.67</b>
<b>NOTE - 12: INVENTORIES</b>		
(at cost or net realisable value, whichever is lower)		
a) Raw Material	16514.42	15916.09
b) Raw Material in transit	6970.40	3730.94
c) Work in Progress	1557.57	1102.37
d) Finished Goods / Stock in Trade	3820.57	4979.23
e) Store and Spares	1395.34	1072.78
	<b>30258.30</b>	<b>26801.41</b>
<b>NOTE - 13: TRADE RECEIVABLES</b>		
(Unsecured, unconfirmed & considered Good) (Refer note no. 35)		
a) Due over six months	431.16	117.61
b) Others	5349.47	4757.37
	<b>5780.63</b>	<b>4874.98</b>
<b>NOTE - 14: CASH AND CASH EQUIVALENTS</b>		
a) Cash & cash equivalents		
Balances with banks in current accounts	44.72	27.65
Cash on Hand	7.34	270.98
	<b>52.06</b>	<b>298.63</b>
<b>NOTE - 15: SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Other than related parties		
a) Prepaid Expenses	63.24	74.02
b) Advance to suppliers (Refer Note no. 35)	1747.05	2359.34
c) MAT Credit Entitlement	0.00	1083.42
	<b>1810.29</b>	<b>3516.78</b>
<b>NOTE - 16: OTHER CURRENT ASSETS</b>		
a) Recoverable from Government Departments	1355.02	2201.22
b) Claims receivables	2191.46	2271.21
	<b>3546.48</b>	<b>4472.43</b>

PARTICULARS	(Rupees in Lakhs ₹)	
	YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
<b>NOTE - 17: REVENUE FROM OPERATIONS</b>		
a) Sale of products	99479.89	101478.58
b) Sale of Services	87.77	87.05
c) Other operating revenue	1985.07	1954.30
	<b>101552.73</b>	<b>103519.93</b>
Less: Excise Duty	145.47	12.24
	<b>101407.26</b>	<b>103507.69</b>
a) Details of Sale of Products/Services		
i) Yarn		
-Export	56359.65	55203.03
-Domestic	32170.44	31236.97
ii) Waste		
-Export	274.91	1278.89
-Domestic	7680.90	6120.86
iii) Others	2993.99	7638.83
	<b>99479.89</b>	<b>101478.58</b>
b) Detail of Sale of Services		
Job Work Charges	87.77	87.05
	<b>87.77</b>	<b>87.05</b>
c) Details of Other Operating Revenue		
MEIS/Export Incentive	82.87	0.00
Duty Drawback / DEPB incentive	1789.27	1616.79
SHIS Licence Income	39.67	183.01
Other Business Income	0.00	39.17
Sale of Scrap	73.26	115.33
	<b>1985.07</b>	<b>1954.30</b>
<b>NOTE - 18 : OTHER INCOME</b>		
a) Profit on Sales of Assets	0.28	1.14
b) Misc. Income	142.43	40.37
c) Rent Received	4.22	3.72
d) Interest Income	157.76	89.93
e) Difference in Exchange Flctuation (Net)	1098.92	305.63
	<b>1403.61</b>	<b>440.79</b>

(Rupees in Lakhs ₹)

PARTICULARS	YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
<b>NOTE - 19 : COST OF MATERIAL CONSUMED</b>		
Opening Stock	19647.02	9576.94
Add : Purchases	64987.94	71745.61
	<b>84634.96</b>	<b>81322.55</b>
Less : Closing Stock	23484.82	19647.02
Material Consumed during the year	<b>61150.14</b>	<b>61675.52</b>
Detail of Material consumed		
Raw Cotton	50986.12	49788.54
Manmade Fibre	10164.02	11528.25
Yarn	0.00	358.73
	<b>61150.14</b>	<b>61675.52</b>
<b>NOTE - 20 : PURCHASE OF TRADED GOODS</b>		
Purchase of Traded Goods	1983.60	5422.65
	<b>1983.60</b>	<b>5422.65</b>
Detail of Traded Goods		
Man Made Fibre	687.96	1280.98
Fabric	0.00	222.26
Raw Cotton	1295.64	3919.40
	<b>1983.60</b>	<b>5422.64</b>
<b>NOTE - 21: CHANGES IN INVENTORY</b>		
Opening Stock		
Work-In-Progress	1102.37	783.56
Finished Goods / Stock in Trade	4979.24	5121.64
Purchase of Yarn	176.43	45.20
	<b>6258.04</b>	<b>5950.40</b>
Closing Stock		
Work-In-Progress	1557.57	1102.37
Finished Goods / Stock in Trade	3820.57	4979.23
	<b>5378.14</b>	<b>6081.60</b>
Increase(-)/Decrease(+)In Stock	<b>879.90</b>	<b>-131.20</b>
<b>NOTE - 22 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries,Wages and Allowances	5378.00	5077.59
Contribution to Provident & Other Funds	540.03	487.69
Gratuity & Leave Encashment	178.46	111.25
Bonus	596.40	565.07
Workers & Staff Welfare	63.30	75.93
	<b>6756.19</b>	<b>6317.53</b>

**Disclosures on 'Employees Benefits'**

The disclosures required under Accounting Standard 15, "Employee Benefits" (Revised) notified in the Companies (Accounting Standards) Rules 2006, are given below :-

**a) Defined Contribution Plan**

Contribution to Defined Contribution Plan, during the year is as under:

	(Rupees in Lakhs ₹)	
Employer's Contribution to Provident Fund	144.01	131.09
Employer's Contribution to Family Pension Fund	250.65	232.88

**b) Defined Benefit Plan**

The Employees' Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity

**NOTE-22 (i)**

(Rupees in Lakhs ₹)

Sr. No.	Particulars	Gratuity		Leave Encashment (Unfunded)	
		31.03.17	31.03.16	31.03.17	31.03.16
<b>a)</b>	<b>Change in Present value of Defined Benefit Obligations.</b>				
	Defined Benefit obligation as on 01.04.2016	454.69	385.25	176.24	173.01
	Current Service Cost	112.01	109.09	49.44	58.07
	Interest Cost	35.89	30.50	13.91	13.70
	Actuarial (Gain/Loss)	6.59	(48.82)	(11.63)	(47.22)
	Benefits Paid	(62.37)	(21.33)	(25.84)	(21.32)
	Defined Benefit Obligation as on 31.03.2017	546.81	454.69	202.12	176.24
<b>b)</b>	<b>Change in fair value of Plan Assets</b>				
	Fair value of plan assets as on 01.04.2016	75.11	59.86	--	--
	Expected Return on Plan Assets	6.03	4.73	--	--
	Actuarial (Gain/Loss)	0.00	(0.27)	--	--
	Employer Contribution	22.33	22.77	--	--
	Benefits Paid	(0.59)	(11.98)	--	--
	Fair Value of Plan Assets as on 31.03.2017	102.88	75.11	--	--
	Actual Return on Plan Assets	0.00	0.00	--	--

<b>c)</b>	<b>Reconciliation of Fair Value of Assets and Obligations</b>				
	Fair Value of Plan Assets as at 31st March, 2017,	102.87	75.11		
	Present Value of Obligation as at 31st March, 2017	546.81	454.69	202.12	176.24
	Amount recognized in Balance Sheet	443.94	379.58	202.12	176.24
<b>d)</b>	<b>Expenses recognized in Profit &amp; Loss Account</b>				
	Current Service Cost	112.01	109.09	49.45	58.07
	Interest Cost	35.89	30.50	13.91	13.70
	Expected Return on Plan Assets	(6.03)	(4.73)	0.00	0.00
	Actuarial (Gain)/ Loss	(15.14)	(48.55)	(11.63)	(47.22)
	Net Cost	126.73	86.31	51.73	24.55
<b>e)</b>	<b>Investment Details</b>				
	L.I. C. Group Gratuity Policy	16.52%	16.52%	--	--
<b>f)</b>	<b>Actuarial Assumptions</b>				
	Mortality Table	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)
	Discount Rate (Per annum)	7.50%	7.90%	7.50%	7.90%
	Expected Rate of Return on Plan Assets (per annum)	7.50%	8.00%	--	--
	Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%

The estimates of rate of escalation in salary's considered in actuarial valuation and other factors such as inflation, seniority, promotion and other relevant factors including supply and demands in the employment market have been taken into account. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considered several applicable factors, mainly the composition of plan asset held, assessed risk, historical results of return on plan asset and the company's policy for the plan asset management.

<b>PARTICULARS</b>	<b>YEAR ENDED 31-03-2017</b>	<b>YEAR ENDED 31-03-2016</b>
<b>NOTE - 23 : FINANCE COST</b>		
a) Interest on Bank borrowings	2757.09	3774.87
b) Other Borrowing Cost	578.23	504.04
c) Premium on Forward Exchange Contracts	561.64	781.35
d) Interest on Income Tax Payments	51.58	46.89
	<b>3948.54</b>	<b>5107.15</b>

PARTICULARS	YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
<b>NOTE - 24 : OTHER EXPENSES</b>		
Power & Fuel and Generator Expenses	10040.38	9389.71
Freight & Cartage, Loading and Unloading	110.21	107.24
Packing Material	1415.16	1443.98
Dyes & Chemicals	830.53	920.35
Consumption of Stores & Spares	1013.82	1509.46
Repairs to Machinery	1241.97	219.18
Building Repair	61.73	39.10
Rent	17.50	13.63
Fees & Taxes	33.72	53.15
Professional Charges	29.84	21.41
Printing & Stationery	40.67	28.97
Postage & Telegram	19.42	22.62
Telephone Expenses	17.75	15.94
Insurance	82.90	81.64
Vehicle Maintenance	90.00	76.57
General Expenses	171.81	193.39
Charity & Donation	1.85	1.01
Travelling & Conveyance	94.39	92.38
Entertainment Expenses	2.87	6.76
Directors' Meeting Fees	0.60	0.90
Payment to Auditors*	13.36	13.11
Festival Expenses	50.49	47.36
Service Tax	25.80	24.28
Worker's Conveyance	234.18	234.57
Advertisement Expenses	1.43	2.09
Prior Period Expenses	8.88	0.00
Provision for ED & VAT Refund	360.78	0.00
Provision for Obsolete Stores	0.00	51.90
Ocean freight and Cleaning & forwarding	1400.17	1837.57
Cartage, freight & Loading & Unloading	274.27	151.41
Commission & Discount	1111.19	1008.32
	<b>18797.67</b>	<b>17608.00</b>
*Payment to Auditors		
-Audit Fee	9.25	9.25
-Tax Audit Fees	1.75	1.75
-Others - taxation	0.20	0.20
Add: Service Tax	1.68	1.62
-Reimbursement of expenses	0.48	0.29
	<b>13.36</b>	<b>13.11</b>
<b>NOTE - 25 : CURRENT TAX</b>		
Income Tax	2028.56	870.87
	<b>2028.56</b>	<b>870.87</b>

## NOTE-26

## CONTINGENT LIABILITIES

(Rupees in Lakhs ₹)

Sr. No.	Particulars	AS ON 31.03.2017	AS ON 31.03.2016
a)	Letter of Credit(s) /Bank Guarantee(s) issued by banks	3154.70	2619.96
b)	Bills Discounted with Banks	9573.14	10993.75
c)	Commitments on account of Capital account remaining to be executed (Net of Advances) out of which Letter of Credits/Bank Guarante ₹ Nil (Pr. Year ₹18.55 Lacs) (net of margin) issued by banks.	1210.58	1137.16
d)	Bonds against un-fulfilled export obligations under Export Promotion Capital Goods/Duty Exemption scheme.	547.70	314.53
e)	Disputed Income Tax Liabilities of cases pending with appellate authorities.	356.09	356.09
f)	Provident Fund disputes pending with High Court. (Net of Margin)	8.58	8.58
g)	Disputed Sales Tax/VAT Liabilities of cases pending with appellate authorities.	29.40	40.43
h)	Disputed Excise Liabilities of cases pending with appellate authorities	44.87	44.87
i)	Disputed Electricity Liabilities of cases pending with appellate authorities.	415.00	415.00
j)	Disputed Electricity Tower Case pending with appellate authorities.	No amount determined	No amount determined

## NOTE - 27

## Disclosure on SBN

(Rupees in Lakhs ₹)

Particulars	SBN's	Others	Total
Closing Cash in Hand as on 08.11.2016	2.07	54.28	56.35
(+) Permitted Receipts From Banks	--	32.40	32.40
(+) Permitted Receipts From Others	--	2.26	2.26
(-) Permitted Payments	--	(66.42)	(66.42)
(-) Amount deposited in Banks	(2.07)	--	(2.07)
Closing Cash in Hand as on 30.12.2016	--	22.52	22.52

## NOTE - 28

The working capital borrowings and current account balances are net of cheques issued but not presented for payment of ₹863.13 Lacs (Previous year ₹661.36 Lacs) and that of cheques deposited but not credited of ₹800.73 Lacs (Previous year ₹1162.35 Lacs) with net amount of ₹62.40 Lacs (Previous Year (-) ₹500.99 Lacs). Accordingly, the trade payables and trade receivables are understated to the extent of ₹ 863.13 Lacs and ₹800.73 Lacs (Previous year ₹ 661.36 Lacs and ₹ 1162.35 Lacs) respectively and working capital borrowings have been overstated to the extent of ₹62.40 Lacs (Previous Year (-) ₹599.99 Lacs)

**NOTE - 29**

Details of Related Parties Disclosures/Transactions in compliance of Accounting Standard-18 are as under:-

**1.) Names of Related Parties and the Nature of Relationship: ---****a) Key Management Personnel**

Sh. Raj Kumar Avasthi	Chairman & Managing Director
Sh. Munish Avasthi	Managing Director
Sh. Naresh Jain	Executive Director

**b) Relatives of Key Management Personnel**

Anjali Avasthi	Wife of Managing Director
Raj Kumar Avasthi HUF	Karta of HUF is Chairman & Managing Director

**c) Associate Concerns**

M/s N.R.S. Knitwear's	M/s Marvel Dyers & Processors (P) Ltd.
M/s Sportking Knitwear	M/s N.T.M. Shawls (P) Ltd.
M/s Sobhagia Clothing Co.	M/s Namokar Capital Services (P) Ltd.
M/s Darling Demons	M/s Aradhana Knitwears (P) Ltd.
M/s Fashionable Attire	M/s Daksh Creations
M/s Nagesh Classic	M/s Go Green Projects Pvt. Ltd.
M/s Sobhagia Sales (P) Ltd.	M/s Dada Motors Pvt. Ltd.
M/s Classic Wears (P) Ltd.	M/s Dada Motors
M/s Aradhana Fabrics	

**2) Related Party Transactions**

(Rupees in Lakhs ₹)

Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
<b>Expenditures</b>				
Purchase of Goods	1285.81	--	--	1285.81
Purchase of Services	16.01	--	--	16.01
Management Services Paid	--	257.72	--	257.72
Lease Rent	--	9.86	6.80	16.66
<b>Incomes</b>				
Sale of Goods	3291.42	--	--	3291.42
Job Work	43.45	--	--	43.45
Rent Received	3.00	--	--	3.00

**Unsecured Loan From Directors**

Name of Directors	Opening Balance as on 01.04.2016	Raised During the year	Paid During the year	Balance as on 31.03.2017
Sh. Munish Avasthi	100.00	--	--	100.00



Debts due from /to sister concerns / associates:

(Rupees in Lakhs ₹)

Particulars	Outstanding as on 31.03.2017	Outstanding as on 31.03.2016
M/s Sobhagia Sales (P) Ltd.*	1401.96	1636.92
M/s Aradhana Fabrics	98.08	105.50
M/s Sobhagia Clothing Co.**	726.21	1003.58
Marvel Dyers & Processors (P) Ltd.	1.15	1.15
Nagesh Classic	65.26	18.93
Daksh Creations	0.62	45.37
Fashionable Attire	70.57	15.41
N.R.S. Knitwears	10.44	4.53
Dada Motors	(0.09)	--

\*Classic Wears Private limited Merged with Sobhagia Sales Private Limited as per the Honble High Court of Punjab & Haryana Order dated 2nd September, 2016 due to which balances of Sobhagia Sales Private Limited merged with balances of Classic Wears Private Limited

\*\*includes advances to supplier.

**NOTE - 30**

Accounting for leases has been done in accordance with Accounting Standard -19. The details of Lease transactions for the year are as follows:-

- a) Finance Lease: The Company does not have any finance lease arrangement.
- b) Operating Lease;
  - i) Lease rentals charged in the Profit and Loss account for the year net of rent received is ₹13.28 Lacs (Previous year is ₹9.91 Lacs).
  - ii) The company has entered into operating leases for its godowns, land, guest house/residential house and machinery that are renewable on a periodic basis and cancellable at company's option. The company has not entered into sub-lease agreements in respect of these leases.
  - iii) The total of future minimum lease payments under non-cancellable leases are as follows:-

(Rupees in Lakhs ₹)

Particulars	AS ON 31-03-2017	AS ON 31-03-2016
Not Later than one year	17.50	14.30
Later than one year but not later than five years	43.20	43.10
Later than five years	11.60	5.47

- c) Lease deed agreements are pending for execution in respect of company's premises at 178 Col. Gurdial Singh Road, Civil Lines, Ludhiana and at Village Morkarima, Near Mullanpur, Ferozepur Road, Ludhiana.

**NOTE - 31**

The foreign currency exposures of the company against firm commitments and/or highly probable forecast transactions are as under:-

Particulars	AS ON 31.03.2017		AS ON 31.03.2016	
	Foreign Currency	INR	Foreign Currency	INR
<b>Hedged Foreign Currency Exposure</b>				
<b>Imports</b>				
Raw Material USD/INR	21.07	1366.70	14.66	381.66
<b>Loans</b>				
FCNR USD/INR	189.62	12299.70	215.76	14296.26
PCFC USD/INR	239.28	15520.90	200.85	13306.31
<b>Interest</b>				
USD/INR	0.06	3.68	0.15	9.68
<b>Capital Goods</b>				
USD/INR	8.90	577.30	8.90	589.71
<b>Exports</b>				
FCNR USD/INR	-	-	-	-
<b>Un-hedged Foreign Currency Exposure</b>				
Raw Material USD/INR	93.86	6088.22	56.48	3742.05
Capital Goods USD/INR	0.59	38.27	1.30	85.81
Capital Goods EURO/INR	-	-	0.15	10.93
Commission USD/INR	4.63	300.58	6.67	422.21
Interest USD/INR	0.16	10.48	-	-

**NOTE - 32**

(Rupees in Lakhs ₹)

<b>A</b>	<b>CIF Value of Imports</b>	<b>AS ON 31.03.2017</b>	<b>AS ON 31.03.2016</b>
	Raw Materials	15755.94	10321.89
	Stores & Spares	1038.79	992.02
	Capital Goods	12.97	95.72
	Dyes & Chemicals	60.72	22.32
	Oil & Lubricants	-	-
<b>B</b>	<b>Earning in Foreign Currency</b>		
	FOB Value of Exports	56295.48	56029.91
<b>C</b>	<b>Expenditure in Foreign Currency</b>		
	Interest	1273.36	833.76
	Traveling Expenses	33.42	25.78
	Commission	473.89	757.26
	Subscription	9.09	8.52
	Others	175.31	49.17

D	Value of Imported & Indigenous Raw Material & Store Consumed and Percentage thereof				
	Particulars	Value (₹)	% age	Value (₹)	% age
	<b>a) Raw Material</b>				
	Imported	11893.11	19.45%	1296.44	2.11%
	Indigenous	49257.04	80.55%	60255.32	97.89%
	<b>b) Stores &amp; Spares/Packing Material</b>				
	Imported Spares	26.48	0.59%	595.89	13.24%
	Imported Dyes & Chemicals	373.00	8.29%	127.19	2.83%
	Imported Oil & Lubricants	0.00	0.00%	0.67	0.02%
	Indigenous Spares/Packing Material	3644.25	80.96%	2722.56	60.48%
	Indigenous Dyes & Chemicals	457.53	10.16%	793.16	17.62%

**NOTE - 33**

The company has provided 10% on account of diminution in value of obsolete unserviceable and surplus stores & spares of gross value amount to ₹Nil (Previous Year ₹51.90 Lacs).

**NOTE - 34**

As the company is dealing only in textiles, the operations of the company are considered as a single business segment hence Segment Reporting under Accounting Standard-17 is not applicable.

**NOTE - 35**

- a) In the opinion of the Board of Directors, the Current Assets and Loans & Advances have been stated at the realizable values.
- b) The balance due to or from the parties, on whatever account, are subject to reconciliation & confirmation.

**NOTE - 36**

Previous year figures have been regrouped/ restated wherever necessary.

As per our report of even date attached

**For Rawla & Company**  
Chartered Accountants  
(FRN-00166IN)

**CA Hardeep Singhal**  
(Partner)  
M. No. 505618

**Ludhiana**  
**May 22, 2017**

For & on behalf of Board of Directors

**(Raj Kumar Avasthi)**  
Chairman & Managing Director  
DIN: 01041890

**(P.K. Gupta)**  
Chief Financial Officer

**(Munish Avasthi)**  
Managing Director  
DIN: 00442425

**(Nikhil Kalra)**  
Company Secretary  
M. No. A30289

**(Naresh Kumar Jain)**  
Executive Director  
DIN: 00254045

<b>28<sup>th</sup> ANNUAL GENERAL MEETING</b>

I/we hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 09<sup>th</sup> day of September, 2017 at 2.00 p.m. at the registered office of the company at 5/69, Guru Mansion (First Floor) Padam Singh Road, Karol Bagh, New Delhi-110005

DP ID		Folio No.	
Client ID		No. of Shares Held	
Member's/Proxy's Name in Block Letters		Member's/Proxy's	

Note:

- Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting venue.
- Please read instructions given at Note No. 9 of the Notice of 28<sup>th</sup> Annual General Meeting, carefully before voting electronically.

ELECTRONIC VOTING PARTICULARS		
EVSN (E-voting Sequence Number)	User ID/Folio No./DP / Client ID	Sequence No.

.....Cut here.....

SPORTKING INDIA LIMITED  
 CIN: L17122DL1989PLC035050  
 Regd. Office: 5/69, Guru Mansion (First Floor) Padam Singh Road,  
 Karol Bagh, New Delhi-110005  
 E-mail: [cs@sportking.co.in](mailto:cs@sportking.co.in) Website: [www.sportking.co.in](http://www.sportking.co.in)

PROXY FORM (Form No. MGT-11)  
 (Pursuant to section 105(6) of the  
 Companies Act, 2013 and Rule 19(3)  
 of the Companies (Management and  
 Administration Rules, 2014)

Name of the Member(s)		
Registered Address		
Email ID		
Folio No./Client ID		DP ID

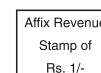
I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 09<sup>th</sup> day of September, 2017 at 2.00 p.m. at the registered office of the company at 5/69, Guru Mansion (First Floor) Padam Singh Road, Karol Bagh, New Delhi-110005 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.	Resolution
1.	To Receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, including the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2.	To Appoint a director in place of Sh. Munish Avasthi (DIN 00442425), who retires by rotation and being eligible offers himself for re-appointment.
3.	To Appoint Statutory Auditors of the company and fix their remuneration.
4.	Ratification of the remuneration of the Cost Auditors for Financial Year 2016-17
5.	Re-appointment and Payment of Remuneration to Sh. Raj Kumar Avasthi (DIN 01041890), as Managing Director of the Company
6.	Re-appointment and Payment of Remuneration to Sh. Munish Avasthi (DIN 00442425), as Managing Director of the Company
7.	Re-appointment and Payment of Remuneration to Sh. Naresh Kumar Jain (DIN 00254045), as Whole Time Director of the Company.

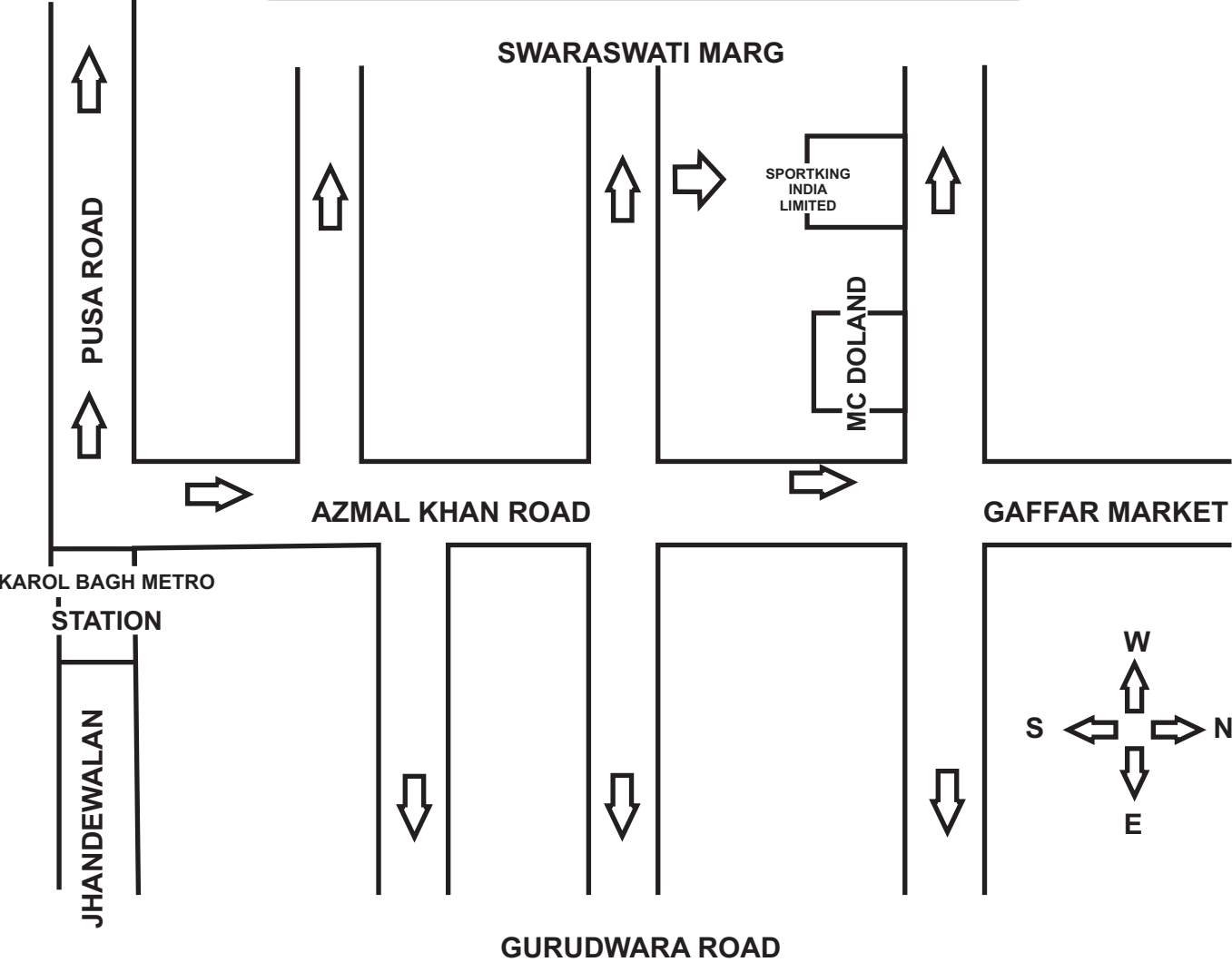
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017  
 Signature of Shareholder: \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_



**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**VENUE OF AGM**  
**SPORTKING INDIA LIMITED**  
Regd. office: 5/69, Guru Mansion (First Floor) Padam Singh Road,  
Karol Bagh, New Delhi-110005

PATEL NAGAR







# Save Tree Save Earth

## *Green Initiative*

*The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.*

*Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at: - [cs@sportking.co.in](mailto:cs@sportking.co.in)*

*We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.*



**BOOK POST**  
(PRINTED MATTER)

If undelivered please return to :  
**SPORTKING INDIA LIMITED**  
Regd. office : 5/69, Guru Mansion (1st Floor)  
Padam Singh Road, Karol Bagh,  
New Delhi - 110 005