



Sportking

29th ANNUAL

Report 2017-18

SPORTKING INDIA LIMITED

BOARD OF DIRECTORS

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

Chairman & Managing Director
Managing Director
Executive Director
Director
Director
Director

CHIEF FINANCIAL OFFICER

Sh. Parveen K. Gupta

AUDITORS

SCV & Co. LLP
B-XIX-220, Rani Jhansi Road,
Ghumar Mandi, Ludhiana-141 001

BANKERS

State Bank of India

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

Punjab National Bank

Large Corporate Branch
Bhagwati Complex
Cheema Chowk,
Ludhiana-141003

Allahabad Bank

IFB Branch 165, Industrial Area
Cheema Chowk, Ludhiana-141003

Central Bank of India

Mid Corporate, Fin Branch
369, R.K. Road, Ind Area-A,
Ludhiana-141003

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.
BEE TAL HOUSE, 3RD Floor, 99 Madangir,
Near Dada Harsukhdas Mandir
New Delhi - 110062

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NOTICE

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting of the members of Sportking India Limited** will be held on **Saturday, the 29th day of September 2018 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, 2018, including the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Sh. Naresh Kumar Jain (DIN 00254045), who retires by rotation and being eligible, offers himself for re- appointment.

SPECIAL BUSINESS**3. Ratification of the Remuneration of the Cost Auditors for Financial Year 2018-19**

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, Ludhiana (Registration No. 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 2019, be paid remuneration of Rs. 75000/- plus applicable taxes."

4. Increase of the Remuneration of Sh. Raj Kumar Avasthi (DIN - 01041890), 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 recommendation of the Nomination and Remuneration Committee as approved by the Board of Directors and subject to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, approval of the members of the company be and is hereby accorded for payment of salary and perquisites (hereinafter referred to as "remuneration) of Sh. Raj Kumar Avasthi, Managing Director of the Company w.e.f 01.04.2018 till the earlier approved period upto. 30th September, 2020 on the terms and conditions as set out below:

Gross Salary - Rs. 20,00,000/- (Rupees Twenty Lakhs Only) 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 Expenses/Reimbursement- Expenses incurred by the company/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 April 2018 to 30th September, 2020 and during the remaining term of Managing Director, the minimum remuneration, if required, will be again reviewed/considered by the board of directors/shareholders

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to alter and vary the terms and conditions so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof and is authorized to do all such acts, deeds matters and things as may be necessary or expedient for giving effect to said resolution.

5. Increase of the Remuneration of Sh. Munish Avasthi (DIN 00442425), 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 recommendation of the Nomination and Remuneration Committee as approved by the Board of Directors and subject to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, approval of the members of the company be and is hereby accorded for payment of salary and perquisites (hereinafter referred to as "remuneration) of Sh. Munish Avasthi, Managing Director of the Company w.e.f 01.04.2018 till the earlier approved period upto 30th September, 2020 on the terms and conditions as set out below:

Gross Salary - Rs. 20,00,000/- (Rupees Twenty Lakhs Only) 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 Expenses/Reimbursement- Expenses incurred by the company/appointee (including Medclaim 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 April 2018 to 30th September, 2020 and during the remaining term of Managing Director, the minimum remuneration, if required, will be again reviewed/considered by the board of directors/shareholders

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to alter and vary the terms and conditions so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof and is authorized to do all such acts, deeds matters and things as may be necessary or expedient for giving effect to said resolution.."

6. Remuneration to Sh. Naresh Kumar Jain (DIN 00254045), 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 in modification of special resolution adopted at the 28th Annual General Meeting of the company held on 09th September, 2017 and pursuant to the provisions of Section 197, 198 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), and subject to statutory approval(s), if any, the consent of the Company be and is hereby accorded that Sh. Naresh Kumar Jain, Whole Time Director of the Company will be paid the following perquisites from 1st October 2017 to 30th September 2020 in addition to 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 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 Expenses Reimbursement- Expenses incurred by the company/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 reviewed/ considered by the board of directors/shareholders.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to alter and vary the terms and conditions so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof and is authorized to do all such acts, deeds matters and things as may be necessary or expedient for giving effect to said resolution.

7. Create, offer, issue and allot Non-Cummulative Non-Convertible Redeemable Preference Shares on Private Placement Basis

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

"Resolved that in accordance with the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as may be amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by regulatory authorities from time to time, and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee there of constituted/ to be constituted for the

time being exercising the powers conferred on the Board by this Resolution) the consent of the Company be and is hereby accorded to the Board to create, offer or invite to subscribe, issue and allot, 15,00,000 (Fifteen Lacs only) Non Cumulative Non Convertible Redeemable Preference Shares of Nominal Value of Rs. 10/- (Rupees Ten only) each, at an issue price of Rs. 100/- (Rupees One Hundred only) per share including premium of Rs. 90/- (Rupees Ninety Only) per share for an aggregate value of Rs. 15,00,00,000 - (Rupees Fifteen Crores only) in one or more tranches as may be decided by the Board of Directors by way of cash or otherwise viz., conversion of loans into Non-cumulative, Non convertible, Redeemable Preference Shares ("NCRPS") on a private placement basis, to Promoters' /Prmoters' Group or such others person or persons in such proportion and on such terms and conditions as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the said Non Cumulative Non-Convertible Redeemable Preference Shares shall not be convertible into equity shares and accordingly the same shall not be listed with any Stock Exchange.

RESOLVED FURTHER THAT in accordance with the provisions of section 43 of the Companies Act, 2013, the Preference Shares shall be non-participating, non-convertible, non-cumulative, redeemable, carry a preferential right vis-a-vis ordinary share of the Company, with respect to payment of dividend and repayment in case of winding up only.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to agree and to make such modification (s) and alternation (s) from time to time as it deems fit and to take all such steps as it may deem necessary, desirable or expedient including issuance of 'Offer Document' as may be prescribed under the Act and the Rules made thereunder and to resolve all questions of doubts and to do all acts, deeds and things and execute all such deeds, documents, writings, in connection therewith and incidental thereto and the Board in its absolute discretion without being required to seek any fresh approval of the members of the Company and the decision of the Board shall be final and conclusive and also to pay such fees and incur such expenses in relation thereto as it may deem appropriate."

**By Order of the Board
For Sportking India Limited**

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

**Place: Ludhiana
Date : 31.08.2018**

**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.) 3 to 7 set out above and the details under Regulation 36 (3)of SEBI(LODR) Regulations, 2015 in respect of Directors proposed to be re-appointed at the Annual General Meeting, is annexed hereto as Annexure 1 and Annexure 2 respectively.
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., are 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 (India) 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.
- 10. Further members are requested to get their physical equity shares in dematerialized form as SEBI has notified on 08.06.2018 that no physical transfer of shares (except transmission of shares) will be permitted after the expiry of 180 days from the notified date.**
- 11. The instructions for shareholders voting electronically are as under:**
 - i. *The voting period begins on Wednesday September 26th 2018 at 09:00 a.m. [IST] and ends on Friday 28th September 2018 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 of Saturday 22nd September 2018 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.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. • 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 yourname is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id /folio number in the Dividend Bank Details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab
- x. Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolution

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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. 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 and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 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-1 TO THE NOTICE**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 3**

The Board of Directors of the Company, on the recommendation 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, 2019 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. 3 of the Notice for approval by the shareholders.

Item No. 4

Mr. 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 44 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 09, 2017 to hold office upto September 30, 2022 and approved his remuneration for a period of three years upto 30.09.2020.

The Company's Performance is continuously improving under his leadership and guidance and the company had decided to increase the installed capacity with Capex of Rs. 265 Crs which will further improve the performance of the Company. Keeping in view the level of remuneration prevailing in the industry the Nomination and Remuneration Committee recommended to increase the remuneration of Sh. Raj kumar Avasthi from Rs. 1000000/- Per month to Rs. 2000000/- Per month plus perquisites as detailed in the resolution and the same has been approved in the Board of Directors in their meeting held on 21st Day May, 2018 which is subject to the approval of the shareholders. 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 the resolution.

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

Item No. 5

Mr. Munish Avasthi - possesses vast experience and expertise in managing textile businesses from the last 25 years. He is working as Managing Director since 1999. He was re-appointed as Managing Director by the members in the annual general meeting held on September 09, 2017 to hold office upto September 30, 2022 and approved his remuneration for a period of three years upto 30.09.2020.

The Company's Performance is continuously improving under his leadership and guidance and the company had decided to increase the installed capacity with Capex of Rs. 265 Crs which will further improve the performance of the Company. Keeping in view the level of remuneration prevailing in the industry the Nomination and Remuneration Committee recommended to increase the remuneration of Sh. Munish Avasthi from Rs. 1000000/- Per month to Rs. 2000000/- Per month plus perquisites as detailed in the resolution and the same has been approved in the Board of Directors in their meeting held on 21st Day of May, 2018 which is subject to the approval of the shareholders 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 resolution 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 the resolution.

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

Item No. 6

Mr. Naresh Kumar Jain possesses vast experience and expertise in managing textile businesses including apparel/garment business. He is working as Whole time Director of the company since 2009. He was re-appointed as Whole Time Director by the members in the annual general meeting held on September 09, 2017 to hold office upto September 30, 2022 and approved his remuneration for a period of three years till 30.09.2020

Due to his wide experience and associated with company since inception, the Nomination and Remuneration Committee recommended to provide the perquisites in addition to the gross salary and the same has been approved by the Board of Directors in their meeting held on 21st Day of May, 2018 which is subject to the approval of the shareholders. 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 resolution 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 the resolution.

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

Item No. 7

The Company is expanding the installed capacity by additional 68256 Spindles at an estimated cost of Rs. 265 Crs as per the TEV Report of the Technical Cell of SBI for the manufacture of fine/coarse count of cotton yarn to be funded partly out of internal cash accruals of Rs. 80 Crs, promoters share capital of Rs. 15 Crs and partly out of term loans of Rs. 170 Crs.

The Board of Directors at its meeting held on 21st May, 2018, had approved to create, offer, issue and allot 15,00,000 5% Non-Convertible Non-Cumulative Redeemable Preference Shares of Face Value of Rs. 10/- (Rupees Ten only) each, at an issue price of Rs. 100/- (Rupees One Hundred only) per share including premium of Rs. 90/- (Rupees Ninety Only) per share for an aggregate value of Rs. 15,00,00,000/- (Rupees Fifteen Crores only), to Promoter(s)/ Promoter Group Companies as mentioned in the resolution in one or more tranche(s).

As per Section 42 of the Companies Act, 2013 and Rules framed thereunder, a Company shall not make a Private Placement of Securities unless the proposed offer of securities or invitation to subscribe to securities have been previously approved by the Members of the Company by a Special Resolution.

As per Section 55 of the Act read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ('Rules') framed there under, inter alia, requires the Company to obtain the prior approval of the Shareholders, by way of a Special Resolution for issuance of preference shares.

Accordingly, approval of the Members is being sought by way of Special Resolution under Section 42, 55 and such other provisions, if any, of the Companies Act, 2013 read with Rules made thereunder to create, offer, issue and allot of 15,00,000 5% Non-cumulative, Non-convertible, Redeemable, Preference Shares (NCRPS) of Rs. 10/- (Rupees Ten only) each, at an issue price of Rs. 100/- (Rupees One Hundred only) per share including premium of Rs. 90/- (Rupees Ninety Only) per share for an aggregate value of Rs. 15,00,00,000/- (Rupees Fifteen Crores only), on a Private Placement basis to Promoters/Promoter Group on the terms and conditions as set hereunder:

Number of Preference Shares	1500000 (Fifteen Lakhs Only)
Nominal Value	Rs. 10/- per share
Size of Issue	Rs. 15,00,00,000 - (Rs. Fifteen Crore Only)
Nature of Preference Shares	5% Non-cumulative, Non-convertible, Non-participating, Redeemable Preference Shares
Object of the Issue	To finance a part of the cost of the expansion project being undertaken by the company
Manner of Issue of Shares	Offer on private placement basis to the Promoters/ Promoters Group in one or more tranches as may be decided by the Board of Directors under the offer.
Price at which such shares proposed to be issued	At an issue price of Rs. 100/- (Rupees One Hundred only) including premium of Rs. 90/ (Rupees Ninety Only) per share
Basis on which the price has been arrived at	In the past the company had allotted these kind of 5624200 Preference Shares to the promoters/promoters group at a price of Rs.35/- per shares (including premium of Rs. 25/- per shares) aggregating Rs 28.92 crs in the year 2001/ 2006/2011 and 2892000 shares at Rs. 100/- per shares (including premium of Rs. 90/- per shares)aggregating Rs. 19.68 crs. in the year 2012 which is not listed on the stock exchange. The Equity Shares of the Company having a face value of Rs. 10/- each had been traded on the stock exchange at maximum price of about Rs. 99.25 per shares during the last one year i.e. upto May 2018 Keeping in view these factors, the issue price for the present issue has been retained at Rs. 100/- per share and the securities will neither be converted into equity shares nor will be listed on the stock exchange.
Terms of the Issue, including terms and rate of dividend on each shares etc.	The Shares shall carry a right to a preferential dividend of 5% per annum in relation to the capital paid-up on them. The holders of the said shares shall have a right to attend GeneralMeetings and note the resolutions directly affecting their interest or where the dividend in respect there of are in arrears for the two financial years immediately preceding the meeting or for any three years during the period of six years ending with the financial year preceding the meeting, on all resolution at every meeting of the companyIn a winding up, the holders of the said shares shall be entitled to a preferential right of return of the amount paid-up on the shares, but shall not have any further right or claim over the surplus assets of the company. The said shares will rank on pari-passu basis with the existing Preference Shareholders.
Terms of Redemption,	Out of profits available for distribution as dividend and /or by issue of fresh shares, in one or more tranches at the option of the Company only in accordance with the relevant provisions of the Companies Act, 2013.
Tenure of Redemption, redemption of shares	To be redeemed within the maximum permissible time period under the provisions of Section 55 of the Companies Act, 2013, which period is presently 20 years from the date of issue of NCRPS, or such other extended period which may be provided by any subsequent modification or amendment to the Companies Act, 2013 or on an earlier date only at the discretion of the Company and the redemption price will be decided by the Board of Directors at the time of redemption.
Terms of Conversion, if the preference shares are convertible	Not Applicable as the same is Non-Convertible
Manner and Mode of Redemption	As stated above
Expected dilution in equity share capital upon conversion of preference shares	Nil, since the preference shares are non-convertible.

Company's Shareholding Pattern as on March 31, 2018:

Category	No. of Equity shares Held	Percentage (%)	No. of Preference Shares Held	Percent age (%)
Promoters and Promoters Group				
Individuals/HUF	729400	20.48	4029000	47.31
Bodies Corporate	1734050	48.70	4487200	52.69
Others	-	-	-	-
Sub Total (A)	2463450	69.18	8516200	100.00
Public and Others				
Institutions	-	-	-	-
Non-Institutions	1097550	30.82	-	-
Sub Total (B)	1097550	30.82	-	-
GRAND TOTAL	3561000	100.00	8516200	100.00

As the securities proposed to be issued by this resolution are "Non-Convertible the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), are not applicable.

The Promoter Directors and their relatives (to the extent of their directorship / shareholding interest in the Company other promoter entities) are interested in the resolution to the extent of allotment made to them or their group companies and no other Director or KMP is concerned or interested, financially or otherwise, in passing of this resolution.

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

By Order of the Board

Place: Ludhiana
Date : 31-08-2018

(Raj Kumar Avasthi)
Chairman
DIN: 01041890

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

ANNEXURE - 2 TO THE NOTICE

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

Particulars	
Name of the Director	Sh. Naresh Kumar Jain
Age	63 Years
Date of Appointment	30.07.2009
Qualification	Graduate
Nature of his expertise in specific functional areas	Vast Experience in Managing Successful textile and garments industrial enterprises.
Disclosure of Relationship between Directors	NA
Names of the listed entities in which the person also holds the directorship and the membership of the committees of the board	Nil
Shareholding of Executive Director	1300

DIRECTORS' REPORT**Dear Members**

The Directors of your company are pleased to present their Twenty Ninth Annual Report on the affairs of the company together with Audited Accounts of the Company for the year ended 31st March, 2018

1. FINANCIAL RESULTS

The financial statements of the Company for the year ended 31st March, 2018, are the first financial statement of the Company which have been prepared in accordance with the provisions of Indian Accounting Standards (Ind AS) Rules 2015. The financial statements for the year ended 31st March, 2017 and transition date of 1st April, 2016 have been restated in accordance with Ind AS for comparative information.

The financial performance of your Company for the year 2017-18 & 2016-17 are as under:

Particulars	(Rupees in Lakhs)	
	2017-18	2016-17
Revenue from Operations	105467.42	101552.73
Other Income	1287.83	1409.65
Profit before Depreciation, Interest and Tax (PBDIT)	11420.20	13255.90
Finance/Interest Cost	2904.77	4011.06
Profit before Depreciation and Tax (PBDT)	8515.43	9244.84
Depreciation and Amortisation Expense	5627.39	5773.86
Profit before Tax (PBT)	2888.04	3470.98
Provision for Tax		
Current Tax	1745.48	2030.81
Prior Period Tax	-148.28	60.00
Deferred Tax	-625.00	-798.00
Profit after Tax (PAT)	1915.84	2178.17
Other Comprehensive Income (Net of Tax of Rs. -8.83 Lakhs in Current Year and Rs. 2.25 Lakhs in Previous Year)	16.69	-4.25
Total Comprehensive Income	1932.53	2173.92
Earnings Per Share (In Rs.)		
Basic	53.80	61.17
Diluted	53.80	61.17

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

After a prolonged slowdown, the Global Economic Growth accelerated to 3.3% in the year 2017. It was the best year for the global economy since the global financial crisis of 2008 with low inflation underpinning rapid growth. Growth in the year 2018 is also expected to remain robust at 3.7% which may possibly represent a peak as global growth encounters new bumps. The advanced economies witnessed expansion owing to increased investments and manufacturing output. Similarly, key emerging markets and developing economies, including Brazil, China and India, posted strong upward momentum with projected growth of 4.5% in the year 2018 and moving forward to 4.7% in the year 2019.

During financial year 2017-18, the Indian economy exhibited signs of turnaround, with most macroeconomic indicators

pointing towards sustained recovery. notwithstanding the challenges posed by the lingering effect of demonetization, implementation of Goods and Services Taxes (GST) and rising real interest rate, India became the fastest growing economy in the world, even surpassing China in the second half. As per the provisional estimates released by the Central Statistical Organization (CSO), India's Gross Domestic Product (GDP) grew by a healthy 6.7% y-o-y in 2017-18, albeit slower compared to 7.1% in the previous year. GDP growth was largely driven by robust performance of the services sector, which grew by 7.9% yo-y as against 7.7% y-o-y in the previous year. Despite headwinds, industry growth was also steady at 5.5% y-o-y compared to 5.6% y-o-y previously. Within industry, manufacturing growth slowed to 5.7% y-o-y (prior 7.9%) on account of a transient drag on coal and cement industry.

The level of exports from India reached to a level of USD 303 Billions with a growth of 9.8% in FY2017-18, the highest growth in six years. With a higher rise in imports, overall trade deficit reached to USD 162 Billions. With the ongoing global trade recovery, exports can strongly contribute to the growth story; however, this calls for focus on better infrastructure, affordable capital and improved labour productivity. On a positive note, strong private consumption and services are expected to continue to support economic activity. The private investment is expected to revive as the corporate sector adjusts to the GST regime and infrastructure spending increases.

The year 2017-18 was also a year of structural reforms with the implementation of GST, major thrust on Insolvency and Bankruptcy proceedings and Government's massive bank recapitalization plan. The reform initiatives have already helped the India jump 30 spots in World's Ease of Doing Business Ranking and will help the economy anchor to a robust and sustained growth trajectory.

Textile Outlook

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employer. The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP). The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 230 billion by 2020.

Along with the upbeat outlook for the global economy, the textile and apparel industry is also expected to witness growth across developed and emerging markets. While the apparel industry is still largely dominated by the European Union and the US, countries like China, India and Italy are emerging as key exporters of apparel and as future destinations for consumption.

The fundamental strength of the textile industry is its strong production base of wide range of fibre and yarns- from natural fibres like cotton, jute, silk and wool to synthetic and manmade fibres such as polyester, viscose, nylon and acrylic. The challenge here is the fluctuation in prices of the raw materials like wool and increase in oil prices which increase the input costs.

India remains the second largest exporter of Textile and Clothing (T&C) with a global share of 5%. Overall T&C exports in key Asian geographies have come down over the last few years primarily driven by lower exports for both China and India. Driven by rising labour cost and concerns over pollution, China has been losing its competitiveness in the global market. China's declining market share has provided an opportunity for other key textile exporters to scale up, primarily through the garmenting route. Bangladesh's exports have been growing rapidly and the country is currently the third largest textile exporter globally.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income, which has led to rise in demand for products creating a huge domestic market. With consumerism and disposable income on the rise, the retail sector

has experienced a rapid growth in the past decade with the entry of several international players into the Indian market.

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17. Cotton prices remained volatile through the year impacting the profitability of the industry. However, Government of India has announced the Minimum Support Price to be at least 50% higher than the cost of production which could lead to strengthening of cotton price. Also, decreasing parity for imported cotton is likely to drive year-end inventory to a relatively tight position of less than 30 lakh bales and can keep the cotton prices at elevated levels.

India's cotton yarn exports have witnessed a positive growth after three consecutive years. In 2017-18, India's cotton yarn exports have totaled US\$ 33.67 Billion with a growth of 2.5%. Cotton yarn commodity takes 48% share from total cotton exports of India. Exports to China have dropped, but it has still managed to remain the top importer for India's cotton yarn. Bangladesh which is the second top most market increased its export value by 15.1%.

India Ratings and Research has maintained a stable outlook for cotton textiles and synthetics for fiscal 2018-19 as margins may expand due to softening in cotton prices, better consumer spending outlook and the low base effect of the last fiscal. However, the possible impact of pink bollworm on cotton and rising crude prices on synthetics are the constraints. Better margins, modest reduction in working capital requirements and subdued capital expenditure in the next fiscal will lead to an improvement in the overall credit profile in India.

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.82 billion during April 2000 to December 2017.

The Central Govt earmarked Rs 690 crore (US\$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernization of Indian Textile Sector. The revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent. The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), launch of India Handloom Brand and integrated scheme for development of silk industry, for the strategic enhancement of Indian textiles quality to international standards.

China's slow investment in textiles and shift to high tech industries will have a positive impact on Indian exports in the coming years. Further, USA's withdrawal from Trans-Pacific Partnership (TPP) and chances of termination of North American Free Trade Agreement (NAFTA) between USA - Canada - Mexico for free trade will increase their cost due to application of import duties amongst their countries. Consequently, Indian industry should have opportunity to promote its own exports.

Post GST, import duty has come down sharply, thus making imports cheaper for the domestic industry imports from China, Indonesia, Thailand and Bangladesh which has placed pressure on selling prices for the textile industry as a whole. Downward revision in duty drawback rates in general has added to the woes of the Indian Textile sector. The poor global retail sales and slow down of business in the domestic market, are matters of concern for the industry

An increasing crude price is likely to narrow the spread between cotton and synthetic yarns, thereby moderating the pace of switch to synthetics from cotton textiles. Operating margins of synthetics manufacturers may witness volatile margins due to fluctuations in crude price and delays in passing on cost inflation.

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 44703 M.T. of Cotton/Synthetic Yarn against previous year production of 43248 M.T. showing an increase of about 3.36%. The company achieved a gross revenue/operating income of Rs. 105467.42 Lakhs (including exports/export incentives Rs. 1667.62 Lakhs) as compared to Rs. 101552.73 Lakhs (including exports/export incentives Rs. 1911.81 Lakhs) in the previous year showing a growth of about 3.85%. 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.11420.20 Lakhs with ratio of 10.82% during FY 2017-18 as compared to Rs. 13255.90 Lakhs in the previous FY 2016-17 with ratio of 13.05% which has declined in FY 2017-18 due to decrease in price of finished product in H1 of FY 2017-18. The financial interest cost declined to Rs. 2904.77 Lakhs as compared to Rs. 4011.06 Lakhs in the previous year due to reduction in the interest of term loan borrowings and working capital borrowings as well as repayments of Term Loan installments. The company earned gross cash profit before tax of Rs. 8515.43 Lakhs against Rs. 9244.84 Lakhs in the previous year and cash profit after tax of Rs.7543.23 Lakhs against Rs.7952.03 Lakhs in the previous year. The profit before tax of Rs.2888.04 Lakhs as compared to previous year of Rs. 3470.98 Lakhs. After providing for current tax of Rs. 1745.48 Lakhs [Previous year Rs. 2030.81 Lakhs], Prior Period Tax of Rs. -148.28 Lakhs (Previous Year Rs. 60.00 Lakhs) Deferred tax liabilities of Rs. - 625.00 Lakhs (Previous Year Rs. -798.00 Lakhs) there was a net profit after tax of Rs. 1915.84 Lakhs against previous year net profit after tax of Rs. 2178.17 Lakhs.

Total Other Comprehensive Income (Net of tax of Rs. -8.83 Lakhs) for current financial year Rs. 16.69 Lakhs as compare to Rs. -4.25 Lakhs (Net of tax of Rs 2.25 Lakhs) in previous financial and the net profit after tax and comprehensive income of Rs.1932.53 Lakhs as compare to Rs. 2173.92 Lakhs in previous year .

RESOURCE UTILISATION

Property, Plant & Equipment

The net Block Property, Plant and Equipment/ Capital work in Progress as at 31st March, 2018 was Rs. 31668.99 Lakhs as compared to Rs. 34785.16 Lakhs in the previous year.

Current Assets and Current Liabilities

The current assets as on 31st March 2018 were Rs. 48266.50 Lakhs as against Rs. 51020.91 Lakhs in the previous year. Inventory level was at Rs. 28134.57 Lakhs as compared to the previous year level of Rs. 30258.30 Lakhs. Trade Receivables level was at Rs. 13169.56 Lakhs (including Bill discounted/Negotiated FC/INR of Rs. 4574.03 Lakhs) as compared to the previous year level of Rs. 15353.78 Lakhs (including bill discounted/Negotiated FC/INR of Rs. 9573.14 Lakhs). The current liabilities as on 31st March 2018 were Rs. 44496.25 Lakhs as against Rs. 46363.70 Lakhs in the previous year. Trade payable level was at Rs. 3774.70 Lakhs as compare to the previous year level of Rs. 2143.45 Lakhs.

LIQUIDITY & CAPITAL RESOURCES

The position of liquidity and capital resources is given below:

Particulars	(Rupees in Lakhs)	
	2017-18	2016-17
Cash & Cash Equivalents		
Beginning of the year	52.06	298.63
End of the year	80.89	52.06
Net Cash provided/ (used) by:		
Operating Activities	13860.18	11090.10
Investing Activities	-3692.85	-488.79
Financial Activities	-10138.50	-10847.88

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 there after 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

The ICRA has reaffirmed the rating "BBB+" (pronounced ICRA Triple B plus) for long term borrowings and "A2" (pronounced ICRA A two) for short term borrowings, respectively on the basis of Audited Balance Sheet of FY 2017-18. Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements

4. DIVIDEND

No dividend was declared by the company for FY 2017-18. 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, 2018 stood at Rs. 341.30 Lakhs (Rs. 356.10 Lakhs minus Calls in Arrears of Rs. 14.80 Lakhs) divided into 3561000 Equity Shares of the face value of Rs. 10/- each which forms a part of Equity Share Capital as per Ind AS while the paid up Redeemable Preference Shares Capital as at 31st March 2018 stood at Rs. 8.52 Crores divided into 8516200 Preference Shares of Rs. 10/- each at premium, which forms a part of other Equity (Equity components of compound Financial instruments) / Borrow-

ing (Non-current) (liability components of compound financial instrument) as per Ind AS. 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, 2018 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 rupees 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 during the financial year with related parties were in the ordinary course of business and on an 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://sportking.co.in/public/pdf/1520571645Policy%20on%20Ma.pdf>

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. Naresh Kumar Jain (DIN: 00254045), Executive Director of the company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

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, Six 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 Directors 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, 2018.
- 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

At the 28th Annual General Meeting held on 9th September, 2017, M/s. S.C. Vasudeva & Company, Chartered Accountants, (Firm Registration Number 000235N) were appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years and subsequently. They have changed their firm name to M/S SCV & Co which was subsequently converted to SCV & Co. LLP and disclosure in this regard was duly made by the company to Bombay Stock Exchange Limited in accordance with the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 amended time to time.

The Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2018. There is no audit qualification reservations/ or adverse remarks or disclaimer in the said financial statements. The comments in the Auditors' Report read with Notes to Accounts are self-explanatory and do not call for any further explanation. As per the amended provisions of Section 139 of the Companies Act, 2013, ratification of the appointment of statutory auditors by the shareholders of the Company is not required now.

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 2018-19. 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 2018- 19 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 2018-19.

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

(Raj Kumar Avasthi)
Chairman
DIN: 01041890

Place: Ludhiana
Date: 31.08.2018

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 2018.

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

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)
2016-17	34.70	19.25
2015-16	20.42	
2014-15	2.64	

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

Rs. 38.51 Lakhs (i.e. 2% of 19.25 Crores)

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial Year : 38.51 Lakhs

b. Amount Unspent, if any : 38.51 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 Directors Report for The Financial Year Ended 31st March, 2018

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, 2018 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, 2018 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
 - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

- (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.

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 member's 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: 25.07.2018**

NOTE: This Report is to be read with our letter of even date which is annexed as annexure A and forms an integral part of this report

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. Where ever 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: 25.07.2018**

**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, 2018.

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 01-04-2017)				No. of Shares held at the end of the Year (As on 31-03-2018)				% Change During the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	709700	9700	719400	20.20	719700	9700	729400	20.48	0.28
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt (PSIDC)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	1712450	21600	1734050	48.70	1712450	21600	1734050	48.70	0.00
e) Banks/Fi	--	--	--	--	--	--	--	--	--
Total Shareholder of Promoter (A)	2422150	31300	2453450	68.90	2432150	31300	2463450	69.18	0.28
B. Public Shareholding									
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)	--	--	--	--	--	--	--	--	--
Sub Total (B)(1)-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	504	70600	71104	1.99	4342	70000	74342	2.09	0.10
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individuals shareholder holding nominal share capital upto Rs. 1 Lakh	18296	901950	920246	25.84	35358	711900	747258	20.98	(4.86)
ii) Individual share holder holding nominal share capital in excess of Rs.1Lakh	0	116200	116200	3.27	0	275950	275950	7.75	4.48
c) Others (Specify)									
Non Resident Indians	--	--	--	--	--	--	--	--	--
Overseas corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearings Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies-DR	--	--	--	--	--	--	--	--	--
Sub Total (B)(2):-	18800	1088750	1107550	31.10	39700	1057850	1097550	30.82	(0.28)
Total Public Shareholding (B)=(B)(1)+(B)(2)	18800	1088750	1107550	31.10	39700	1057850	1097550	30.82	(0.28)
C. Shares held by Custodian for GDRS& ADRS	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	2440950	1120050	3561000	100.00	2471850	1089150	3561000	100.00	0.00

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	-	425565	11.94	-	-
4	Sh. Raj Kumar Avasthi	316700	8.89	-	316700	8.89	-	-
5	Smt. Parveen Avasthi	162500	4.56	-	162500	4.56	-	-
6	Sh. Munish Avasthi	230700	6.47	-	240700	6.76	-	0.28
7	Aradhna Knitwears Pvt. Ltd.	21600	0.61	-	21600	0.61	-	-
8	Sh. Ashok Kumar Sharma	3000	0.08	-	3000	0.08	-	-

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9	Sh. Suraj Dada	2200	0.06	-	2200	0.06	-	-
10	Sh. Jagdish Chandar	1800	0.05	-	1800	0.05	-	-
11	Smt. Anjali Dada	1500	0.04	-	1500	0.04	-	-
12	Smt. Anjali Avasthi	1000	0.03	-	1000	0.03	-	-
Total		2453450	68.90	-	2463450	69.18	-	0.28

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

SN	Name	Shareholding at the beginning of the year (01.04.2017/ end of the year (31.03.2018))		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of Total shares of the Company				No. of Shares	% of total shares of the Company
1	Sh. Munish Avasthi	230700	6.47	01.04.2017				
				23.11.2017	+10000	Transfer	240700	6.76
	At the end of the year	240700	6.76	31.03.2018		240700	6.76	

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 (01.04.2017/ end of the year 31.03.2018)		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2017 to year (31.03.2018)	
		No. of Shares	% of Total shares of the Company				No. of shares	% of total shares of the Company
1	Santosh Dass	50000	1.40	01.04.2017	-	Nil Movement during theyear		
	At the end of the year	50000	1.40	31.03.2018			50000	1.40
2	Sanjeev Kumar	0	0.00	01.04.2017				
				09.03.2018	+26300	Transfer	26300	0.74
	At the end of the Year	26300	0.74	31.03.2018			26300	0.74
3	Poonam Jain	0	0.00	01.04.2017				
				18.12.2017	+10300	Transfer	10300	0.29
				09.01.2018	+12300	Transfer	22600	0.63
				25.01.2018	+2000	Transfer	24600	0.69
	At the end of year	24600	0.69	31.03.2018			24600	0.69
4	Parul Sharma	0	0.00	01.04.2017				
				28.02.2018	+24000	Transfer	24000	0.67
	At the end of the Year	24000	0.67	31.03.2018			24000	0.67
5	Vinod Talwar	21600	0.61	01.04.2017	0	Nil Movement During the year		
	At the end of the year	21600	0.61	31.03.2018			21600	0.61

6.	Shubham Sood	0	0	01.04.2017				
				09.01.2018	+7100	Transfer	7100	0.19
				08.02.2018	+13800	Transfer	20900	0.59
	At the end of the year	20900	0.59	31.03.2018			20900	0.59
7	Marvel Dyres & Processors Private Limited (Formerly- Friends & Finishing Mills Pvt Ltd) Limited	21600	0.61	01.04.2017	0	Nil Movement during the year		
	At the end of the Year	21600	0.61	31.03.2018			21600	0.61
8	Sam Aviation Private Limited	21600	0.61	01.04.2017	-	Nil Movement during the year		
	At the end of the year	21600	0.61	31.03.2018			21600	0.61
9	Arun Kumar Jain	0	0.00	01.04.2017				
				12.08.2017	+4900	Transfer	4900	0.14
				12.10.2017	+2200	Transfer	7100	0.20
				31.10.2017	+900	Transfer	8000	0.22
				09.11.2017	+5500	Transfer	13500	0.38
				17.11.2017	+6400	Transfer	19900	0.56
	At the end of year	19900	0.56	31.03.2018			19900	0.56
10	Meenu Khosla	0	0.00	01.04.2017				
				29.12.2017	+19400	Transfer	19400	0.54
	At the end of year	19400	0.54	31.03.2018			19400	0.54

E) Shareholding of Directors and Key Managerial Personnel:

SN	Name	Shareholding at the		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		Beginning of the year (01.04.2017)/end of the year (31.03.2018)					No. of Shares	% of total shares of the Company
A. Directors		No. of Shares	% of Total shares of the Company				No. of Shares	% of total shares of the Company
1	Sh. Raj Kumar Avasthi (Managing Director)	316700	8.89	01.04.2017		Nil Movement during his year		
	At the end of the year	316700	8.89	31.03.2018			316700	8.89
2.	Sh. Munish Avasthi (Managing Director)	230700	6.47	01.04.2017				
				23.11.2017	+10000	Transfer	240700	6.79
	At the end of the year	240700	6.79	31.03.2018			240700	6.79
3	Sh. Naresh Kumar jain (Whole Time Director)	1300	0.04	01.04.2017		Nil Movement during his year		
	At the end of year	1300	0.04	31.03.2018			1300	0.04

4	Sh. Prashant Kocchar (Independent Director)	-	-	01.04.2017	-	Nil Movement During the year		
		-	-	31.03.2018	-		-	-
5	Sh. Sunil Puri (Independent Director)	-	-	01.04.2017	-	Nil Movement during the year		
		-	-	31.03.2018	-		-	-
6	Smt. Harbhajan Kaur Bal (independent Director)	-	-	01.04.2017	-	Nil Movement during the year		
		-	-	31.03.2018	-		-	-
	B. Key Managerial Personal (KMP's)							
7	Sh. Parveen Kumar Gupta (CFO)	-	-	01.04.2017	-	Nil Movement during the year		
		-	-	31.03.2018	-		-	-
8	Sh. Nikhil Kalra (Company Secretary & Compliance Officer)	-	-	01.04.2017	-	Nil Movement during the year		
		-	-	31.03.2018	-		-	-

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	591.06	0.86	0.00	591.92
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.93	0.00	0.00	0.93
Total (i+ii+iii)	591.99	0.86	0.00	592.85
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
* Reduction	70.14	0.00	0.00	0.00
Net Change	(70.14)	0.07	0.00	(70.07)
Indebtedness at the end of the financial year				
i) Principal Amount	520.22	0.93	0.00	521.15
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1.63	0.00	0.00	1.63
Total (i+ii+iii)	521.85	0.93	0.00	522.78

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
		CMD	MD	WTD	
		Sh. Raj Kumar Avasthi	Sh. Munish Avasthi	Sh. Naresh Kumar Jain	
		Rs.	Rs.	Rs.	Rs.
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the income Tax Act, 1961	10350000	10350000	1320000	22020000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1234015	1234015	660000	3128030
	(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..	400000	400000	-	800000
	Total (A)	11984015	11984015	1980000	25948030
	Ceiling as per the Act	5% of net profits of the company calculated as per Section 198 of the Companies Act, 2013.			

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	30000	30000	30000	90000
	Commission	-	-	-	-
	Others, Please Specify	-	-	-	-
	Total(1)	30000	30000	30000	90000
2	Other Non-Executive Directors				
	Fee for attending board/committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, Please Specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)	30000	30000	30000	90000
	Total Managerial Remuneration (A+B)	26038030			
	Overall ceiling as per the Act	11% of net profits of the company calculated as per Section 198 of the Companies Act, 2013.			

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		1958236	474504	2416185
	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	Total		1973256	489504	2446185

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
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, 2018.

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.

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

	2017-18	2016-17
i) Electricity		
a) Purchased		
Units (Kwh.)	155078469	157541264
Amount (Rs.)	919590517	982385176
Rate Per Unit (Rs.)	5.93	6.24
b) (Through Generator)		
Units (Kwh)	180492	143626
Amount (Rs.)	2817165	2279712
Cost per unit (Rs.)	15.61	15.87
ii) Coal / Pet coke		
Qty. (Kgs.)	2181850	1930100
Amount (Rs.)	21098391	16835374
Rate per unit (Rs.)	9.67	8.72
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)	3.47	3.64
ii) Coal and Rice Husk	0.05	0.04
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. Extension of timing belt conversion and webbing in Carding thus improving Production of existing machine by 7% and reduction in sliver breakage.
- d. Installation of Brass fitting in pneumatics in combing area to save air consumption.
- e. Extension of equalizer suction tube in Rieter Machine resulting in to energy saving.
- f. Used ring Dia 36 of 38 to increase the productivity.
- g. Light weight bobbins are used in Ring Frames for Reduction in Power cost.
- h. Loud Speaker is being installed to inform the operator to come out from the department in case of emergency.
- i. In house modification done to increase the life of Lattice Apron to three time.
- j. Steel clip fixed on Spindle separator to increase the life of separator.
- k. In Elli twist 2/40 CWC, Plastic separator used to avoid the mix up of two roving , together , which reduced the b-grade material.

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 554.24 Crores by export of its products. The outgoes of foreign exchange is Rs.153.85 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, 2018.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 are as under:

Sr. No.	Names of the Directors/KMP	Designation	Remuneration of the financial year 2017-18 (Rs. In Lacs)	Ratio of Directors /KMP remuneration to Median remuneration	%increase in the Remuneration in the Financial year 2017-18
I	Executive Directors				
1	Sh. Raj Kumar Avasthi	Managing Director	119.84	116.65	-
2	Sh. Munish Avasthi	Managing Director	119.84	116.65	-
3	Sh. Naresh Kumar Jain	Executive Director	19.80	19.27	10.00%
II	Non-Executive Directors				
4	Sh. Prashant Kochhar	Independent Director	0.30	0.29	-
5	Sh. Sunil Kumar Puri	Independent Director	0.30	0.29	-
6	Dr. Harbhajan Kaur Bal	Independent Director	0.30	0.29	-
III	Key Managerial Personnel				
7	Mr. Parveen K. Gupta	Chief Financial Officer	19.73	19.21	-
8	Mr. Nikhil Kalra	Company Secretary	4.90	4.76	-

2. There were 4742 permanent employees on the rolls of Company as on March 31, 2018.
3. The median remuneration of employees of the Company during the financial year 2017-18 was Rs.102732 and there was an increase of 18.44% 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 2017-18 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	No Change
Blue Collar	
- Monthly Wagers	No Change
- Daily Wagers	1.78%

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	Relation with Director
Raj Kumar Avasthi	CMD	119.84	Permanent	HSC	44	15.02.1989	72	NA	8.89	NA
Munish Avasthi	MD	119.84	Permanent	B.Com	25	01.08.1991	45	NA	6.76	NA
Shiv Kumar Sharma	President (Oprs.)	26.06	Permanent	B.Tech	30	30.07.2009	54	Birla Textiles Indonesia	NIL	NA
Ashok Kumar Sharma	President (Oprs.)	25.45	Permanent	B.Tech	31	19.08.2010	55	Deepak Spinners Limited	NIL	No
Naresh Kumar Jain	ED	19.80	Permanent	B.A.	42	30.07.2009	64	Classic Wears Pvt. Ltd. NA	0.03	NA
Parveen Kumar Gupta	CFO	19.73	Permanent	FCA, ACS	34	01.04.1999	58	NA	NIL	No
D.S. Yadav	Vice President (H.R.)	18.51	Permanent	MSW	29	02.07.1997	52	Pashupati Spinning and Weaving Mills Limited	NIL	No
R.P. Gupta	EA to MD	18.24	Permanent	Master of Textile Tech.	32	16.09.2014	54	Thai Acrylics Fibre, Thailand	NIL	No
Rashim Jindal	President (Marketing)	17.51	Permanent	MBA	26	09.09.2004	48	Vardman Spinning and General Mills Limited	NIL	No
Jai Prakash Singhal	Sr. G.M. (Engg.)	15.76	Permanent	B.E. Electrical	38	07.08.2010	61	GPI Textiles Limited	NIL	No
Jagjeet Kumar Marwaha	G.M.	14.81	Permanent	B.Tech	29	10.01.2010	52	Nahar Spinning Limited	NIL	No
Shaji John	AVP	14.76	Permanent	B.Tech (Textiles)	28	12.03.2013	55	Mills Limited Ginli Filaments 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	240700
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 six times on 22.05.2017, 14.08.2017, 14.09.2017, 27.11.2017, 14.12.2017 & 14.02.2018. 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 as on 31.03.2018 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	6	Yes	-	-	-
Sh. Munish Avasthi	6	Yes	-	-	-
Sh. Naresh Kumar Jain	6	Yes	-	-	-
Sh. Prashant Kochhar	6	Yes	-	-	-
Sh. Sunil Puri	6	No	-	-	-
Smt. Harbhajan Kaur Bal	6	No	1	1	-

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., Mr. Prashant Kochhar, Dr. (Mrs.) H.K. Bal and Mr. Sunil Puri. Mr. 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 C of 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 22.05.2017, 14.09.2017, 14.12.2017 & 14.02.2018. 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. Mr. Nikhil Kalra, Company Secretary of the Company act as Compliance officer of the committee as per the requirement of SEBI Listing Regulation. During the Financial year 2017-18, 2 investor complaints/queries were received and have been resolved.

Name of the Directors	Designation	Category	No. of Meeting Attended
Smt. Harbhajan Kaur Bal	Chairman	Non Executive Independent Director	27 to 27
Sh. Munish Avasthi	Member	Executive Promoter Director	27 to 27
Sh. Naresh Kumar Jain	Member	Executive Non Promoter Director	27 to 27

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 14.08.2017 and 31.03.2018. 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 31ST MARCH 2018.**Executive Directors:**

Name	Designation	Salary (Rs.)	Allowances / Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Sh. Raj Kumar Avasthi	Chairman & Managing Director	1,03,50,000	12,34,015	4,00,000	—	1,19,84,015
Sh. Munish Avasthi	Managing Director	1,03,50,000	12,34,015	4,00,000	—	1,19,84,015
Sh. Naresh Kumar Jain	Executive Director	13,20,000	6,60,000	—	—	19,80,000

Non Executive Independent Directors:

Name	Designation	Amount (Rs)
Smt. Harbhajan Kaur Bal	Non Executive Independent Director	30,000
Sh. Prashant Kochhar	Non Executive Independent Director	30,000
Sh. Sunil Puri	Non Executive Independent Director	30,000

Key Managerial Personnel

Name	Designation	Amount (Rs)
Sh. Parveen Kumar Gupta	Chief Financial Officer	19,73,256
Sh. Nikhil Kalra	Company Secretary	4,89,504

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 31.03.2018. 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 30.12.2017, 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
28th AGM	Saturday	09/09/17	2.00 P.M.	5/69, Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005	3
27th AGM	Friday	30/09/16	2.00 P.M.	5/69, Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005	2
26th AGM	Wednesday	30/09/15	2.00 P.M.	5/69, Guru Mansion, 1st Floor Padam Singh Road, Karol Bagh, New Delhi-110005	3

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.

12. GENERAL SHAREHOLDERS INFORMATION:**i) 29th Annual General Meeting**

Date	29th September 2018
Time	2.00 P.M.
Venue	Regd. Office: 5/69, Guru Mansion, 1st Floor, Padam Singh Road, Karol Bagh, New Delhi -110 005, Delhi
ii) Financial Calendar	2018-19 (Tentative)
First Quarter Results (Unaudited)	On or before 14th August ,2018
Second Quarter Results (Unaudited)	On or before 14th November, 2018
Third Quarter Results (Unaudited)	On or before 14th February, 2019
Fourth Quarter (Audited)	On or before 30th May, 2019
iii) Dates of Book Closure	N.A.
iv) Dividend Payment date	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 2018-19.

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 Price	Low Price	Closing Price	No. of Shares Traded	Total Turnover in Rs.
Apr 17	-	-	-	-	-
May 17	15.17	14.45	15.17	5001	75864
Jun 17	-	-	-	-	-
July 17	15.90	15.90	15.90	1000	15900
Aug 17	20.15	16.65	20.15	125	2304
Sep 17	23.30	21.15	23.30	75	1665
Oct 17	32.60	24.45	32.60	607	14865
Nov 17	34.20	34.20	34.20	1	34
Dec 17	35.90	35.90	35.90	5	179
Jan 18	143.50	37.65	43.50	214	8658
Feb 18	50.25	45.65	50.25	175	8330
Mar 18	55.35	52.75	55.35	2	107

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 31ST MARCH 2018.

RANGE		Shareholders		Shares	
No. of Shares		Nos.	% to Total	Nos.	% to Total Shares
Up to	500	1328	77.43	355757	9.99
501	1000	302	17.60	238803	6.71
1001	2000	31	1.80	45825	1.29
2001	3000	14	0.81	32650	0.92
3001	4000	1	0.05	3620	0.10
4001	5000	9	0.52	39100	1.10
5001	10000	6	0.34	48345	1.36
Above	10001	24	1.39	2796900	73.78
TOTAL		1715	100.00	3561000	100.00

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 2018, 69.41% of shares held in dematerialized form and the rest in physical form.

SEBI NOTIFICATION REGARDING TRANSFER OF SHARES

Pursuant to SEBI Notification dated 08.06.2018, a major amendment has been brought in Listing Regulations namely SEBI (LODR) FOURTH AMENDMENT, REGULATIONS 2018.

As per the notification, transfer of securities (except in case of transmission of share) shall not be processed unless securities are held in dematerialized form with a depository. This notification will be effective from 180th day from the date of this notification. In other words, request for transfer of shares held in physical form will not be processed w.e.f. 05.12.2018 and it shall be mandatory to demat the securities for getting the shares transferred.

Shareholder/s are advised to note the above and take all necessary step at their end.

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 : 31.08.2018

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, 2018 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 : 31.08.2018

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 2018, 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 SCV & Co. LLP
Chartered Accountants
FRN : 000235N/N500089

Place : Ludhiana
Date : 31.08.2018

CA Sanjiv Mohan
(Partner)
M.No.086066

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

We have audited the accompanying Ind AS financial statements of Sportking India Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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 and the order issued under section 143(11) of the Act.

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 Ind AS financial statements are free from material misstatement.

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, to the best of our information and according to the explanation given to us, 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 31 March 2018, 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.

For SCV & Co. LLP
Chartered Accountants
Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Date: 21st May, 2018

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India of the state of affairs of the Company, as at 31 March 2018, and its profit, total comprehensive income, the changes in equity and the 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", which forms a part of this report, 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, based on our audit, 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 (including other comprehensive income), the statement of cash flows and statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
 - (e) On the basis of the written representations received from the directors of the Company as on 31st March 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting 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, as amended 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 Ind AS financial statements. Refer Note 33 to the Ind AS financial statements.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounts) Rules, 2014 (as amended) audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated 22nd May, 2017 and 30th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For SCV & Co. LLP
Chartered Accountants
Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Date: 21st May, 2018

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sportking India Limited of even date)

- i) In respect of the Company's fixed assets:-
- a)The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b)The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said program, the management has physically verified the fixed assets during the year. According to the information and explanations given to us, no discrepancies were noticed on such verification.
 - c)According to information and explanations given to us and on the basis of our examination of records

of the company, the title deeds of immovable properties are held in the name of the company.

- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management at the reasonable intervals during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provision of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or made any investment in other body corporate. Therefore, the provisions of section 185 and section 186 of the Companies Act, 2013 are not applicable to the company. Thus provisions of paragraph 3(iv) of the Order is not applicable to the company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any other Tribunal on the Company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, goods and service tax and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable as at 31st march, 2018.

(b) According to the information and explanations given to us, and the records of the company examined by us, there are no dues of income tax, service tax, duty of custom, duty of excise which have not been deposited with the appropriate authorities on account of any dispute except the following:

(Amount in Lakhs)

Name of Statute	Nature of dues	Financial Year to which it relates	Total Demand	Paid under Protest	Unpaid	Forum at which dispute is pending
Income Tax Act,1961	Income Tax	2005-06	99.58	-	99.58	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax	2010-11, 2011-12 to 2013-14	297.38	-	297.38	Commissioner of Income Tax (Appeals)
Punjab VAT Act, 2005	VAT	2006-07	2.64	-	2.64	Deputy Excise &Taxation Commissioner(Appeals)
CST Act, 1956	CST	2006-07	1.70	-	1.70	Deputy Excise & Taxation Commissioner (Appeals)
Punjab VAT Act, 2005	VAT	2007-08	18.92	4.81	14.43	Deputy Excise & Taxation Commissioner (Appeals)
CST Act, 1956	CST	2007-08	0.32			Deputy Excise & Taxation Commissioner (Appeals)
Punjab VAT Act, 2005	VAT	2016-17	5.83	1.47	4.36	Deputy Excise & Taxation Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	2010-11	44.87	-	44.87	Central Excise & Service Tax Appellate Tribunal, Delhi

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institutions and banks. The Company has not issued any debentures nor raised any borrowings from government during the year or in the preceding year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The company has not raised money by way of initial public offer of further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud on or by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on the records of the company, the company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examinations of the records of

the company, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year under audit. Thus the provisions of paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SCV & Co. LLP
Chartered Accountants
Reg. No.000235N/N500089

Place: Ludhiana
Date: 21st May, 2018

(Sanjiv Mohan)
Partner
M. No. 086066

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Sportking India Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control over financial reporting of Sportking India Limited ("the Company") as of 31st March 2018 in conjunction with our audit of Ind AS financial statements of company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company 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, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 included 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 Ind AS 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.

BALANCE SHEET AS ON 31ST MARCH, 2018

(Amount in Lakhs)

PARTICULARS	Note No.	AS AT 31st March,2018	AS AT 31st March,2017	AS AT 1st April,2016
I ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	3(a)	29219.63	33912.09	39531.30
(b) Capital Work-in-Progress		2369.56	740.84	197.24
(c) Other Intangible Assets	3(b)	79.80	132.23	179.68
(d) Other Non Current Assets	4	2386.86	1083.81	1071.67
Total Non Current Assets		34055.85	35868.97	40979.89
2. Current Assets				
(a) Inventories	5	28134.57	30258.30	26801.41
(b) Financial Assets				
(i) Trade Receivables	6	13169.56	15353.78	15868.73
(ii) Cash and cash equivalents	7	80.89	52.06	298.63
(iii) Other Financial Assets	8	36.14	1.36	59.53
(c) Other Current Assets	9	6845.34	5355.41	6799.45
Total Current Assets		48266.50	51020.91	49827.75
Total Assets		82322.35	86889.88	90807.64
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	10	341.30	339.89	339.73
(b) Other Equity	11	19788.16	17852.35	15678.06
Total Equity		20129.46	18192.24	16017.79
Liabilities				
1. Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	12	16009.43	20078.63	26032.19
(b) Provisions	13	610.60	564.33	508.93
(c) Deferred Tax Liabilities (Net)	14	1059.00	1684.00	1398.58
(d) Other Non Current Liabilities	15	17.61	6.98	13.46
Total Non Current Liabilities		17696.64	22333.94	27953.16
2. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	30406.98	35164.06	36814.83
(ii) Trade Payables	17	3774.70	2143.45	1857.02
(iii) Other Financial Liabilities	18	8225.43	7243.04	7093.82
(b) Provisions	19	102.17	81.73	47.72
(c) Other Current Liabilities	20	243.73	744.05	568.30
(d) Current Tax Liabilities (Net)	21	1743.24	987.37	455.00
Total Current Liabilities		44496.25	46363.70	46836.69
Total Equity and Liabilities		82322.35	86889.88	90807.64

The accompanying notes 1 to 51 are integral part of financial statements.

As per our report of even date attached

For and On behalf of the Board of Directors

For SCV & Co. LLP

Chartered Accountants

Firm Regn. No. 000235N/N500089

Sanjiv Mohan

(Partner)

Raj Kumar Avasthi
Chairman Cum Mg. Director
DIN No.01041890

Munish Avasthi
Managing Director
DIN No.00442425

Naresh Jain
Executive Director
DIN No.0025404

M.No.086066

Place: Ludhiana

Date : May 21, 2018

P.K. Gupta
Chief Financial Officer

Nikhil Kalra
Company Secretary
FCS No. 9498

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Lakhs)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31st March, 2018	FOR THE YEAR ENDED 31st March, 2017
Income			
(I) Revenue from Operations	22	105467.42	101552.73
(II) Other Income	23	1287.83	1409.65
(III) Total Income (I+II)		106755.25	102962.38
(IV) Expenses			
Cost of Materials Consumed	24	68199.12	61150.14
Purchase of Traded Goods	25	140.60	2160.03
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	1266.81	703.47
Employee Benefits Expense	27	7385.33	6749.69
Finance Costs	28	2904.77	4011.06
Depreciation and Amortisation Expense	3	5627.39	5773.86
Other Expenses	29	18343.19	18943.15
Total Expenses		103867.21	99491.40
(V) Profit before tax (III-IV)		2888.04	3470.98
(VI) Tax Expense:			
Current Tax	30	1745.48	2030.81
Prior Period Tax	30	-148.28	60.00
Deferred Tax		-625.00	-798.00
(VII) Profit for the Year (V-VI)		1915.84	2173.17
(VIII) Other Comprehensive Income			
(I) Items that will not be reclassified to Profit or Loss Remeasurement of defined benefit plans		25.52	-6.50
(II) Income tax relating to Items that will not be reclassified to Profit or Loss	30	-8.83	2.25
Total other Comprehensive Income		16.69	-4.25
(IX) Total other Comprehensive Income (VII+VIII)		1932.53	2173.92
Earning per Equity Share of Face Value of ₹10/- each:			
Basic		53.80	61.17
Diluted		53.80	61.17

The accompanying notes 1 to 51 are integral part of financial statements.

As per our report of even date attached

For & on behalf of Board of Directors

For SCV & Co. LLP
Chartered Accountants
(FRN-000235N/N500089)Raj Kumar Avasthi
Chairman cum Managing Director
DIN: 01041890Munish Avasthi
Managing Director
DIN: 00442425Naresh Jain
Executive Director
DIN: 00254045Sanjiv Mohan
(Partner)
M. No. 086066
Ludhiana
May 21, 2018P.K. Gupta
Chief Financial OfficerNikhil Kalra
Company Secretary
FCS No. 9498

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in Lakhs)

PARTICULAR	For the Year Ended 31.03.18	For the Year Ended 31.03.17
A. CASH FROM OPERATING ACTIVITIES :		
Net Profit before tax	2913.57	3464.48
Adjustments for :		
Amortisation of interest on liability component of compound financial instruments	25.60	24.38
Amortisation of Processing Charges	24.20	32.10
Depreciation and Amortisation	5627.39	5773.85
Unrealised foreign exchange (Gain)/ Loss on Non Current Borrowings	83.10	-574.08
Unrealised foreign exchange (Gain)/ Loss on Current Borrowings	293.23	-464.19
Interest on Borrowings	2632.37	3467.82
Interest Income	-92.07	-157.76
Rent Income	-4.03	-4.22
(Profit)/Loss on sale of Property,plant and equipment	-25.32	-0.27
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL	11478.04	11562.10
Adjustments for Working Capital Changes :		
(Increase)/Decrease in Trade and Other Receivables	659.52	2005.29
(Increase)/Decrease in Inventories	2123.73	-3456.90
Increase/(Decrease) in Trade Payable and Other liabilities	449.05	1452.37
Cash Generated from operating activities	14710.34	11562.87
Taxes Paid	850.16	472.77
Net Cash from operating activities	13860.18	11090.10
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Payment for Purchase of Property,plant and equipment	-2526.62	-652.11
Proceeds from Sale of Property,plant and equipment	40.71	1.60
Advances for Investing Activities	-1303.04	-0.26
Rent Received	4.03	4.22
Interest Received	92.07	157.76
Net Cash used in Investing Activities	-3692.85	-488.79
C. CASH FLOW FROM FINANCING ACTIVITIES :		
(Also Refer Note 50).		
Proceeds from Calls unpaid received During the year	4.69	0.53
Proceeds from Non Current Borrowings	500.00	0.00
Repayment of Current Borrowings	-5050.31	-1186.58
Repayment of Non Current Borrowings	-2960.51	-6194.01
Interest Paid	-2632.37	-3467.82
Net Cash used in Financing Activities	-10138.50	-10847.88
D. Net Increase/ (Decrease) in Cash and Cash Equivalents	28.83	-246.57
Cash and Cash Equivalents at the beginning of the year	52.06	298.63
Cash and Cash Equivalents at the end of the year	80.89	52.06

The accompanying notes 1 to 51 are integral part of financial statements.

As per our report of even date attached

For SCV & Co. LLP
Chartered Accountants
(FRN-000235N/N500089)Sanjiv Mohan
(Partner)
M. No. 086066
Ludhiana
May 21, 2018

For & on behalf of Board of Directors

Raj Kumar Avasthi
Chairman cum Managing Director
DIN: 01041890P.K. Gupta
Chief Financial OfficerMunish Avasthi
Managing Director
DIN: 00442425Nikhil Kalra
Company Secretary
FCS No. 9498Naresh Jain
Executive Director
DIN: 00254045

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

a) Equity Share Capital

(Amount in Lakhs)

Balance as on 1st April, 2016	339.73
Change in equity share capital during the year*	0.16
Balance as at 31st March, 2017	339.89
Change in equity share capital during the year*	1.41
Balance as at 31st March, 2018	341.30

*Unpaid call received during the year

b) Other Equity

Particulars	Equity Component of Compound Financial Instruments	Reserve and Surplus				Other comprehensive income (Remeasurement of defined benefit plans)	Total
		Capital Redemption Reserve	Securities Premium Reserve	Retained Earnings	General Reserve		
Balance as on 1st April, 2016	4372.80	368.48	682.81	10250.97	3.00	0.00	15678.06
Amount received against calls unpaid (Refer Note 1 below)			0.37				0.37
Total Comprehensive Income for the year		0.00	0.00	2178.17	0.00	(4.25)	2173.92
Transfer from retained earnings to Capital Redemption Reserve.		42.58		(42.58)	0.00		0.00
Balance as on 31st March 2017	4372.80	411.06	683.18	12386.56	3.00	(4.25)	17852.35
Balance as on 1st April, 2017	4372.80	411.06	683.18	12386.56	3.00	(4.25)	17852.35
Amount received against calls unpaid (Refer Note 1 below)			3.28				3.28
Total Comprehensive Income for the year				1915.84		16.69	1932.53
Transfer from retained earnings to Capital Redemption Reserve		42.58		(42.58)	0.00		0.00
Balance as on 31st March 2018	4372.80	453.64	686.46	14259.82	3.00	12.44	19788.16

Note No. 1

The amount remaining unpaid on account of calls in arrear of Equity Shares of ₹ Rs 10/- each at a premium of ₹ 25/- per share have been apportioned between share capital and Securities Premium Reserve Account in the ratio of three to seven.

The Equity Share Capital and Securities premium of ₹ 14.80 Lakhs and ₹ 34.53 Lakhs respectively are yet to be received on account of calls unpaid as on 31st March 2018 (₹ 16.20 Lakhs and ₹ 37.81 Lakhs as on 31st March 2017)

As per our report of even date attached

For SCV & Co. LLP
Chartered Accountants
(FRN-000235N/N500089)

For & on behalf of Board of Directors

Raj Kumar Avasthi
Chairman cum Managing Director
DIN: 01041890

Munish Avasthi
Managing Director
DIN: 00442425

Naresh Jain
Executive Director
DIN: 00254045

Sanjiv Mohan
(Partner)
M. No. 086066
Ludhiana
May 21, 2018

P.K. Gupta
Chief Financial Officer

Nikhil Kalra
Company Secretary
FCS No. 9498

Notes forming part of financial statements for the year ended 31st March, 2018

NOTE 1. CORPORATE INFORMATION

Sportking India Limited (the Company) is a public limited company domicited in India and incorporated under the provisions of the Companies Act, 1956 on 15th February 1989 and has its registered office at 5/69, Guru Mansion, Padam Singh Road, Karol Bagh, New Delhi-110005. The company is engaged in manufacturing of Cotton Yarn, Synthetic Yarn and Blended Yarn and of Dyeing Activity. The Company has manufacturing units at Ludhiana and at Bathinda. The company is listed at BSE Limited (Bombay Stock Exchange)

The financial statements are approved for issue by the Company's Board of Directors on 21st May 2018.

NOTE 2. A. SIGNIFICANT ACCOUNTING POLICIES:**(a) Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, relevant provisions of the Companies Act 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI).

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Companies (Accounting Standard) Rule, 2006 (previous GAAP). These financial statements for the year ended 31 March 2018 are the first financial statements of the Company prepared in accordance with Ind AS as the company is required to comply with the Indian Accounting Standards (Ind AS) for the accounting periods beginning on or after 1st April, 2017, (with the comparatives for the periods ended on 31st March, 2017). Detail explanation on how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is explained in Note No.31).

The financial statements have been prepared on historical cost convention on accrual basis, except for certain financial instruments which have been measured at fair value.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The books of accounts and the financial statements for year ended and as at 31st March, 2017 were audited by previous auditors M/s Rawla & Co.

(b) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in esti

mates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known materialised.

(c) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. Revenue is reduced for sales return, trade discount and other similar allowances. The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from sale of goods is recognised when the following conditions are satisfied:

- a) The Company has transferred all significant risk and rewards of ownership to the buyer;
- b) The company does not retain effective control on the goods usually associated with ownership;
- c) The cost incurred in respect of the transaction can be measured reliably;
- d) It is probable that economic benefits will flow to the company; and
- e) The amount of revenue can be measured reliably.

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31st March 2017 and for the period 1st April to 30 June 2017 are reported gross of Excise Duty and net of VAT/CST. Further, Excise Duty is reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales.

(ii) Export Incentives

Revenue in respect of the export incentives is recognized on post export basis.

(iii) Interest

Income from interest is recognized using the effective interest rate (EIR).

(iv) Dividend

Dividend income is recognized when the right to receive the payment is established.

(v) Insurance and Other Claims

Insurance and other claims are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(d) Employee Benefits**(A) Short term Employee Benefits :**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. The amount of short term employee benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

(B) Defined Contribution :

Provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service

(C) Defined Benefit Plan :

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The company fully contributes all ascertained liabilities to the Sportking India Limited Employee Group Gratuity Trust managed by the trustees. The trustees administrate contributions made to the Trust and contributions are invested in the schemes as permitted by the laws of India.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods. All other expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss

(D) Compensated absences:

The Company has a policy on compensated absences which are both accumulating and nonaccumulating in nature. The expected additional cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(e) Property, Plant and Equipment :

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under Ind AS 101 and hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost directly attributable to acquisition are capitalised until the property plant and equipment are ready for use as intended by the management. The cost comprises of:

(a) Purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013.

Depreciation method, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

(f) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization and impairment, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. Amortisation method and useful life are reviewed periodically, including at each financial year end.

(g) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- In case of raw materials at first-in, first-out (FIFO) basis. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.
- In case of finished goods at raw material cost plus conversion costs, packing cost and other overheads incurred to bring the goods to their present location and condition.

(h) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized in the statement of Profit and Loss in the period in which they are incurred. Borrowing costs consist of interest and other

costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity share holders of the company by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the weighted average numbers of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares if any.

(j) Income Taxes

Income tax expense comprises current tax and deferred tax.

Income tax expense is recognized on net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. The same is grouped under the head as 'Deferred Tax Asset'.

(k) Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants related to assets are treated as deferred revenue and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the related asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(l) Foreign Currency Transactions

Transactions in foreign currency are initially recorded in the functional currency i.e. Indian Rupees using the exchange rate at the date of transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate as on each balance sheet date.

The exchange difference arising on the settlement or reporting of monetary items at rates different from rates at which these were initially recorded / reported in previous financial statements, are recognised in the statement of profit and loss in the period in which they arise.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(n) Leases

Payments under operating leases are recognized as an expense in the statement of profit and loss on a straight line basis over the term of lease.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition and measurement

The company recognises the financial assets and financial liabilities when it becomes party to the contractual provision of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added/ reduced to the fair value on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

(ii) Subsequent measurement**a. Non-derivative financial instruments****(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the

financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

(iv) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward control to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are charged to Statement of Profit and Loss. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

c. Equity Share

Equity shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

d. Compound financial instruments

The non-convertible non-cumulative preference shares issued by the company that provides for mandatory redemption by the company for a fixed or determinable amount at a fixed or determinable future date has been treated as a compound financial instruments as per criteria mentioned in Ind AS 32.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs). The remainder of the proceeds is recognised and included in other equity.

(iii) De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Fair value measurement of financial instruments

The Company measures certain financial instruments at the fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the assets or liability.

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

-Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or (unadjusted) in active markets for identical assets or liabilities

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

(p) Impairment of assets**a. Financial assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(q) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

(r) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities. The cash flows from operating, investing and financing activities of the Company are segregated

(s) Provisions

(i) A provision shall be recognised when:

- (a) an entity has a present obligation as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

(ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

(iii) Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be accrued/ realised. A disclosure for contingent assets is made when an inflow of economic benefit is probable.

B. CRITICAL ACCOUNTING ESTIMATES**i. Useful lives of property, plant and equipment**

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment periodically and at the end of each reporting date.

ii. Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

iii. Post-retirement benefit plans

Employee benefit obligations are measured on the basis of actuarial assumption including any changes in these assumptions that may have a material impact on the resulting calculations.

iv. Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

(Amount in Lakhs)

NOTE - 3(a) Property, Plant and Equipment

Particulars	Original Cost				Depreciation and Amortization				Net Block		
	As at 1st April, 2017	Additions during the year	Disposals/ Discarded during the year	Other Adjustments	As at 31st March, 2018	As at 1st April, 2017	For the Year	Eliminated on disposal of Assets	Other Adjustments	Upto 31st March, 2018	As at 31st March, 2018
Tangible Assets:											
Land	1722.51	72.86	0.00	0.00	1795.37	0.00	0.00	0.00	0.00	0.00	1795.37
Building	14790.15	6.23	0.00	0.00	14796.38	574.63	562.24	0.00	0.00	1136.87	13659.51
Building Lease Hold	64.89	0.00	0.00	0.00	64.89	16.22	16.22	0.00	0.00	32.44	32.45
Plant & Machinery	22522.73	826.49	15.39	17.98	23315.85	5014.98	4909.87	0.00	3.81	9921.04	13394.81
Furniture & Fixture	143.67	0.74	0.00	0.00	144.41	29.00	18.90	0.00	0.00	47.90	96.51
Vehicles	265.86	8.11	0.00	0.00	273.97	62.80	52.14	0.00	0.00	114.94	159.03
Office Equipment	135.44	10.14	0.00	0.00	145.58	35.53	28.10	0.00	0.00	63.63	81.95
TOTAL	39645.25	924.57	15.39	17.98	40536.45	5733.16	5587.47	0.00	3.81	11316.82	29219.63
Particulars	Original Cost				Depreciation and Amortization				Net Block		
	As at 1st April, 2016	Additions during the year	Disposals/ Discarded during the year	Other Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year	Eliminated on disposal of Assets	Other Adjustments of Assets	Upto 31st March, 2017	As at 31st March, 2017
Tangible Assets:											
Land	1722.51	0.00	0.00	0.00	1722.51	0.00	0.00	0.00	0.00	0.00	1722.51
Building	14790.15	0.00	0.00	0.00	14790.15	0.00	574.63	0.00	0.00	574.63	14215.52
Building Lease Hold	64.89	0.00	0.00	0.00	64.89	0.00	0.00	0.00	0.00	16.22	48.67
Plant & Machinery	22420.84	103.21	1.32	0.00	22522.73	0.00	5014.98	0.00	0.00	5014.98	17507.75
Furniture & Fixture	142.30	1.37	0.00	0.00	143.67	0.00	29.00	0.00	0.00	29.00	114.67
Vehicles	265.86	0.00	0.00	0.00	265.86	0.00	62.80	0.00	0.00	62.80	203.06
Office Equipment	124.75	10.69	0.00	0.00	135.44	0.00	35.53	0.00	0.00	35.53	99.91
TOTAL	39531.30	115.27	1.32	0.00	39645.25	0.00	5716.93	0.00	0.00	5733.16	33912.09

NOTE - 3(b) Other Intangible Assets

Particulars	Original Cost				Depreciation and Amortization				Net Block As at 31st March, 2018	
	As at 1st April, 2017	Additions during the year	Disposals/ Discarded during the year	Other Adjustments	As at 31st March, 2018	As at 1st April, 2017	For the Year on disposal of Assets	Other Adjustments		Upto 31st March, 2018
Other Intangible Assets										
Computer Softwares	149.35	5.09	0.00	0.00	154.44	37.53	38.54	0.00	76.07	78.37
Expenditure on Power line	23.58	0.00	0.00	17.60	5.98	3.17	1.38	0.00	4.55	1.43
TOTAL	172.93	5.09	0.00	17.60	160.42	40.70	39.92	0.00	80.62	79.80
Particulars	Original Cost				Depreciation and Amortization				Net Block As at 31st March, 2017	
	As at 1st April, 2016	Addition during the year	Disposals/ Discarded during the year	Other Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year on disposal of Assets	Other Adjustments		Upto 31st March, 2017
Other Intangible Assets										
Computer Softwares	144.40	4.95	0.00	0.00	149.35	0.00	37.53	0.00	37.53	111.82
Expenditure on Power line	35.28	0.14	0.00	11.84	23.58	0.00	3.17	0.00	3.17	20.41
TOTAL	179.68	5.09	0.00	11.84	172.93	0.00	40.70	0.00	40.70	132.23

1. The tangible assets are hypothecated/mortgaged to secure borrowings of the company (refer note no. 12)

2. All property, plant and equipment and intangible assets carried in balance sheet as at April 1, 2016 are in accordance with previous GAAP.

The company has elected to regard such carrying value as deemed cost at the date of transition.

3. The company has availed the exemption available under Ind AS 101, whereas the carrying value of Property, plant and equipment has been carried forward at the amount as determined under the previous GAAP netting of Ind AS adjustment such as government grants and processing fee etc.. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the company has disclosed the cost as at 1st April 2016 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the company separately as follows:

Particulars	Gross Block as at 1st April,2016	Accumulated Depreciation as at 1st April,2016	Net Block as at 1st April,2016
Tangible Assets:			
Land	1722.51	0.00	1722.51
Building	17865.74	3075.59	14790.15
Building Lease Hold	141.30	76.41	64.89
Plant and Machinery	51234.60	28813.76	22420.84
Furniture and Fixtures	271.68	129.38	142.30
Vehicles	560.95	295.09	265.86
Office Equipment	369.81	245.06	124.75
Total	72166.59	32635.29	39531.30
Other Intangible Assets:			
Computer Softwares	191.21	46.81	144.40
Expenditure on Power Lines	359.57	324.29	35.28
Total	550.78	371.10	179.68
Net Total	72717.37	33006.39	39710.98
Had the company not disclosed the cost (Gross block) as at 1st April 2016 (net of accumulated depreciation), the status of the Gross block, Accumulated Depreciation and Net block of the Property, plant and equipment and intangible assets as on reported date would have been as under:			
Particulars	Gross Block as at 31st March,2018	Accumulated Depreciation as 31st March,2018	Net Block as at 31st March,2018
Tangible Assets:			
Land	1795.37	0.00	1795.37
Building	17871.97	4212.46	13659.51
Building Lease Hold	141.30	108.86	32.44
Plant and Machinery	52129.61	38734.79	13394.82
Furniture and Fixtures	273.78	177.27	96.51
Vehicles	569.06	410.03	159.03
Office Equipment	390.64	308.69	81.95
Total	73171.73	43952.10	29219.63
Other Intangible Assets:			
Computer Softwares	201.26	122.89	78.37
Expenditure on Power Lines	330.27	328.84	1.43
Total	531.53	451.73	79.80
Net Total	73703.26	44403.83	29299.43

(Amount in Lakhs)

P A R T I C U L A R S	AS AT 31st March,2018	AS AT 31st March,2017	AS AT 1st April,2016
NOTE - 4: OTHER NON CURRENT ASSETS			
Unsecured considered good			
a) Capital Advances	1404.51	92.94	81.77
b) Security Deposits	967.73	967.73	955.86
c) Prepaid Expenses	14.62	23.14	34.04
Total	<u>2386.86</u>	<u>1083.81</u>	<u>1071.67</u>
NOTE - 5: INVENTORIES			
(at cost or net realisable value, whichever is lower)			
a) Raw Material	21548.35	16514.42	15916.09
b) Raw Material in transit	976.51	6970.40	3730.94
c) Work in Progress	1629.76	1557.57	1102.37
d) Finished Goods	2481.57	3820.57	4979.23
e) Store and Spares	1498.38	1395.34	1072.78
Total	<u>28134.57</u>	<u>30258.30</u>	<u>26801.41</u>
NOTE - 6: TRADE RECEIVABLES			
Unsecured Considered Good(Refer Note 45)			
Total	<u>13169.56</u>	<u>15353.78</u>	<u>15868.73</u>
NOTE - 7: CASH AND CASH EQUIVALENTS			
Balances with banks in current accounts	27.07	44.72	27.65
Cash in hand	53.82	7.34	270.98
Total	<u>80.89</u>	<u>52.06</u>	<u>298.63</u>
NOTE - 8: OTHER FINANCIAL ASSETS (CURRENT)			
Financial Liabilities at amortized cost			
Interest receivable and Others	2.25	1.36	59.53
Financial Liabilities at Fair value through Profit and Loss			
Derivative Financial Instruments	33.89	0.00	0.00
Total	<u>36.14</u>	<u>1.36</u>	<u>59.53</u>
NOTE - 9: OTHER CURRENT ASSETS			
(Unsecured Considered Good)			
a) Prepaid Expenses	109.16	63.24	74.02
b) Advance to suppliers (Refer Note 45)	1615.58	1747.06	2359.34
c) Recoverable from Government Authorities	3042.98	1355.02	2201.22
d) Claims receivables	2077.62	2190.09	2164.87
Total	<u>6845.34</u>	<u>5355.41</u>	<u>6799.45</u>

NOTE-10: Equity Share Capital**a) Authorised and Paid up Share Capital****(Amount in Lakhs)**

Particulars	As at 31st March,2018		As at 31st March,2017		As at 1st April,2016	
	Number	Amount	Number	Amount	Number	Amount
Authorised Share Capital						
Equity shares of ₹10/- each (par Value)	5000000	500.00	5000000	500.00	5000000	500.00
Total	5000000	500.00	5000000	500.00	5000000	500.00
Issued, Subscribed and paid up share capital						
Equity shares of ₹10/- each fully paid up	3561000	356.10	3561000	356.10	3561000	356.10
Less: Calls Unpaid	-	-14.80	-	-16.21	-	-16.37
	3561000	341.30	3561000	339.89	3561000	339.73

b) Rights, preferences and restrictions attached to equity shares

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.

c) Detail of Shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid up ordinary shares (Number)		
	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
	Nil	Nil	Nil

d) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Namokar Capital Services Limited	798985	22.44	798985	22.44	798985	22.44
Angel Finvest (P) Limited	487900	13.70	487900	13.70	487900	13.70
Sobhagja Sales Private Limited	425565	11.95	425565	11.95	425565	11.95
Raj Kumar Avasthi	316700	8.89	316700	8.89	203200	5.71
Munish Avasthi	240700	6.76	230700	6.48	129300	3.63
Punjab State Industrial Development Corp. Ltd.	0	0.00	0	0.00	200000	5.62

e) Reconciliation of the Number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March,2018		As at 31st March,2017		As at 1st April,2016	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the reporting period	3561000	339.89	3561000	339.73	3561000	339.65
Add						
Calls unpaid received during the year		1.41		0.16		0.08
At the end of the reporting period	3561000	341.30	3561000	339.89	3561000	339.73

f) No. of shares for the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

Equity Shares	Fully paid up ordinary shares (Number)		
	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Allotted as Fully paid up pursuant to contract(s) without payment being received in cash	0.00	0.00	0.00
Allotted as Fully paid up by way of bonus shares	0.00	0.00	0.00
Shares bought back	0.00	0.00	0.00

(Amount in Lakhs)

NOTE 11: OTHER EQUITY

Particulars	Equity Component of Compound Financial Instruments (Refer Note 2 below)	Reserve and Surplus				Other items of other comprehensive income (remeasurement of defined benefit plans)	Total
		Capital Redemption Reserve	Securities Premium Reserve	Retained Earnings	General Reserve		
Balance as on 1st April, 2016	4,372.80	368.48	682.81	10,250.97	3.00	-	15,678.06
Amount received against calls unpaid (Refer Note 1 below)			0.37				0.37
Total Comprehensive Income for the year		-	-	2,178.17	-	(4.25)	2,173.92
Transfer from retained earnings to Capital Redemption Reserve.		42.58	-	(42.58)	-	-	-
Balance as on 31st March 2017	4,372.80	411.06	683.18	12,386.56	3.00	(4.25)	17,852.35
Balance as on 1st April, 2017	4,372.80	411.06	683.18	12,386.56	3.00	(4.25)	17,852.35
Amount received against calls unpaid (Refer Note 1 below)			3.28				3.28
Total Comprehensive Income for the year				1,915.84		16.69	1,932.53
Transfer from retained earnings to Capital Redemption Reserve.		42.58		(42.58)	-		-
Balance as on 31st March 2018	4,372.80	453.64	686.46	14,259.82	3.00	12.44	19,788.16

Note 1:-The amount remaining unpaid on account of calls in arrear of Equity Shares of ₹ 10/- each at a premium of ₹ 25/- per share have been apportioned between Share Capital and Securities Premium Reserve Account in the ratio of three to seven.

The equity share capital and securities premium of ₹ 14.80 Lacs and ₹ 34.53 Lacs respectively are yet to be received on account of calls unpaid as on 31st March 2018 (₹16.20 Lacs and ₹ 37.81 Lacs as on 31st March 2017)

Note 2:-

Details of Preference share capital

Particulars	31.03.2018		31.03.2017		01.04.2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised Share capital						
5% Redeemable Non Cumulative Preference Shares of ₹ 10/- each fully paid up	20000000	2000.00	20000000	2000.00	20000000	2000.00
Issued, subscribed and fully paid-up Share capital						
5% Redeemable Non Cumulative Preference Shares of ₹ 10/- each fully paid up	8516200	851.62	8516200	851.62	8516200	851.62

Rights, preferences and restrictions attached to preference shares

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 preceding the last meeting. Preference shares are redeemable within 20 years from the date of allotment.

The preference shares are presented in the balance sheet as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Face value of preference shares issue	851.62	851.62	851.62
Add: Securities Premium	4008.85	4008.85	4008.85
Total	4860.47	4860.47	4860.47
Less: Liability component shown under borrowings (refer note-12)	487.67	487.67	487.67
Equity component shown under other equity	4,372.80	4,372.80	4,372.80

The detail of redemption of preference shares is as follows:

Date of Redemption	No. of Preference Shares to be Redeemed
31.03.2021	2439000
31.07.2026	885200
31.03.2031	2300000
31.03.2032	2892000
Total	8516200

Details of shares held by each shareholder holding more than 5% shares:

Name of holders	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sobhagia Sales Private Limited	3958200	46.48%	3958200	46.48%	3958200	46.48%
Raj Kumar Avasthi	2489000	29.23%	2489000	29.23%	2489000	29.23%
Sobhagia Clothing Co. (Through Partners)	1240000	14.56%	1240000	14.56%	1240000	14.56%
Angel Finvest (P) Limited	529000	6.21%	529000	6.21%	529000	6.21%

Reconciliation of the Number of Preference shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March,2018		As at 31st March,2017		As at 1st April 2016	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the reporting period	8516200	851.62	8516200	851.62	8516200	851.62
Add Received during the year		0.00		0.00		0.00
At the end of the reporting period	8516200	851.62	8516200	851.62	8516200	851.62

(Amount in Lakhs)

PARTICULARS	AS AT 31st March, 2018	AS AT 31st March, 2017	AS AT 1April, 2016
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NOTE 12: Borrowings (Non Current)**I) From Banks (Secured)**

i) Term Loans :

From Banks

Rupee Loans

12147.64

9512.85

13382.25

Foreign Currency Loans (FCL)

3292.35

10052.64

11570.51

ii) Unamortised Processing Charges

(61.25)

(85.45)

(117.55)

Total

15378.74

19480.04

24835.21

iii) Buyer's Credit (Machinery) under Bank's LOU

Foreign Currency Loans (FCL)

0.00

0.00

628.81

II) From Others (Unsecured)

From Related Parties (Refer Note 39)

93.03

86.53

80.50

(Net of Deferred Interest of ₹ 6.97 Lacs,
31st March, 17 ₹ 13.47 Lacs, 1st April, 16 ₹ 19.50 Lacs)

Liability Component of Compound Financial Instrument#

537.66

512.06

487.67

Total

16009.43

20078.63

26032.19

Liability component of 5% Redeemable Non Cumulative Preference Shares includes unwinding of interest of ₹49.99 Lacs upto 31st March 2018 (₹ 24.38 Lacs upto 31st March 2017) using effective interest method to the liability component.

i) The term loans from State Bank of India, Punjab National Bank, Central Bank of India, Punjab and Sind Bank and Allahabad Bank are secured against a) first pari-pasu charge on hypothecation and Mortgage of all present and future Plant and 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) first pari pasu charge on equitable mortgage of commercial land and building situated at Village Barmalipur, Ludhiana owned by Sh. Raj Kumar Avasthi (Chairman and Managing Director) and Sh. Munish Avasthi (Managing Director)

These term loans are further guaranteed by Sh. Raj Kumar Avasthi (Chairman and Managing Director) and Sh. Munish Avasthi (Managing Director).

ii) The term loans from ICICI Bank Limited, AXIS 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 31.03.2019

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.

AS AT 31st March, 2018

Name of Bank	AS AT 31.03.2018	No. of Installments o/s As at 31.03.2018	Rate of Interest (in % age)	Payable With in 12 Months
Term Loans Project		(Quarterly)		
Punjab National Bank (INR)	2032.36	8	9.50 to 13.10	1016.00
Punjab National Bank (INR)	2313.08	22	9.50 to 13.10	296.00
State Bank of India (INR)	22.20	7	9.50 to 11.75	980.00
(FCL)	1701.20		4.77 to 5.45	
Allahbad Bank	875.33	7	9.50 to 11.80	492.00
Allahbad Bank	4595.48	16	9.50 to 11.80	944.00
Central Bank of India	4004.00	16	9.40 to 11.80	832.00
State Bank of India (INR)	20.39			652.00
(FCL)	3223.15	16	4.77 to 5.45	
Punjab & Sind Bank (INR)	1835.08	16	9.50 to 11.80	376.00
State Bank of India	500.00	32	9.50 to 11.75	100.00
Term Loans Vehicles		(Monthly)		
ICICI Bank Limited	0.54	5	10.12	0.54
ICICI Bank Limited	0.54	5	10.12	0.54
ICICI Bank Limited	0.64	5	10.14	0.64
ICICI Bank Limited	0.65	5	10.12	0.65
ICICI Bank Limited	0.65	5	10.12	0.65
ICICI Bank Limited	0.65	5	10.12	0.65
ICICI Bank Limited	0.65	5	10.12	0.65
ICICI Bank Limited	0.73	5	10.13	0.73
ICICI Bank Limited	0.54	5	10.12	0.54
ICICI Bank Limited	0.54	5	10.12	0.54
ICICI Bank Limited	2.77	18	10.76	1.83
ICICI Bank Limited	0.39	2	10.50	0.39
ICICI Bank Limited	0.36	2	10.50	0.37
ICICI Bank Limited	0.35	2	10.50	0.35
ICICI Bank Limited	0.49	2	10.49	0.49
AXIS BANK	6.13	48	8.95	1.34
	21138.89			5698.90
Net of current maturities	15439.99			

AS AT 31st March, 2017

Name of Bank	AS AT 31.03.2017	No. of Installments o/s As at 31.03.2017	Rate of Interest (in % age)	Payable With in 12 Months
Term Loans Project				
		(Quarterly)		
Punjab National Bank (INR)	0.20	3	11.75 to 13.10	120.32
(FCL)	120.12		4.76 to 5.49	
Punjab National Bank (INR)	5.50		11.75 to 13.10	511.78
(FCL)	2398.03		4.76 to 5.49	
Punjab National Bank (INR)	4.98	25	11.75 to 13.10	212.11
(FCL)	2529.00		4.76 to 5.49	
State Bank of Patiala (INR)*	4.18	10	12.15	811.73
(FCL)*	2089.95		4.44 to 4.79	
Allahbad Bank	1168.33	10	11.80 to 11.95	293.00
Allahbad Bank	5138.48	19	11.80 to 11.95	543.00
Central Bank of India	4619.41	20	11.80 to 12.45	624.00
State Bank of India (INR)	20.39	19	11.75 to 11.80	519.11
(FCL)	3346.39		4.22 to 4.79	
Punjab and Sind Bank (INR)	217.71	20	11.80	288.84
(FCL)	1816.22		5.33	
Term Loans Vehicles				
		(Monthly)		
ICICI Bank Limited	1.81	17	10.12	1.27
ICICI Bank Limited	1.81	17	10.12	1.27
ICICI Bank Limited	2.13	17	10.14	1.49
ICICI Bank Limited	2.17	17	10.12	1.52
ICICI Bank Limited	2.17	17	10.12	1.52
ICICI Bank Limited	2.17	17	10.12	1.52
ICICI Bank Limited	2.17	17	10.12	1.52
ICICI Bank Limited	2.42	17	10.13	1.69
ICICI Bank Limited	1.80	17	10.12	1.26
ICICI Bank Limited	1.80	17	10.12	1.26
ICICI Bank Limited	1.19	4	10.75	1.19
ICICI Bank Limited	4.41	30	10.76	1.64
ICICI Bank Limited	2.47	14	10.50	2.12
ICICI Bank Limited	3.52	14	10.49	3.03
ICICI Bank Limited	2.58	14	10.50	2.22
ICICI Bank Limited	2.79	14	10.50	2.40
Total	23516.30			3950.81
Net of current maturities	19565.49			

As at 1st April, 2016

Name of Bank	ASAT 01.04.2016	No. of Installments o/s As at 01.04.2016	Rate of Interest (in % age)	Payable With in 12 Months
Term Loans Project				
(Quarterly)				
State Bank of Patiala (INR)*	0.27	3	12.15 to 13.25	237.11
(FCL)*	236.84			
Punjab National Bank (INR)	156.29	4	12.10 to 13.00	312.50
(FCL)	156.21		4.76	
Punjab National Bank (INR)	32.53	4	12.10 to 13.00	62.50
(FCL)	29.97		4.76	
Punjab National Bank (INR)		4	12.10 to 13.00	63.12
(FCL)	63.12		4.76	
Punjab National Bank (INR)	0.19	7	12.10 to 13.00	140.00
(FCL)	303.50		4.76	
State Bank of Patiala (INR)*	4.18	14	11.80	510.00
(FCL)*	2894.76		4.22 to 4.26	
Punjab National Bank (INR)	1.16	15	12.10 to 13.00	704.00
(FCL)	3438.58		4.76	
Punjab National Bank (INR)	0.21	30	12.10 to 13.00	292.00
(FCL)	2906.18		4.76	
Allahbad Bank	1593.33	16	11.80 to 11.95	340.00
Central Bank of India	5243.41	24	11.95	624.00
Allahbad Bank	6043.48	24	11.80 to 11.95	724.00
State Bank of India (INR)	20.39	23	11.80	376.50
(FCL)	4049.99		4.22 to 4.26	
Punjab and Sind Bank	2415.34	24	11.80	288.84
Term Loans Vehicles				
(Monthly)				
IHDFC Bank Limited	1.23	10	12.50	1.23
ICICI Bank Limited	0.42	1	10.43	0.42
ICICI Bank Limited	2.93	29	10.12	1.14
ICICI Bank Limited	2.93	29	10.12	1.14
ICICI Bank Limited	3.47	29	10.14	1.35
ICICI Bank Limited	3.56	29	10.12	1.37
ICICI Bank Limited	3.56	29	10.12	1.37
ICICI Bank Limited	3.56	29	10.12	1.37
ICICI Bank Limited	3.56	29	10.12	1.37
ICICI Bank Limited	3.95	29	10.13	1.54
ICICI Bank Limited	2.93	29	10.12	1.14
ICICI Bank Limited	2.93	29	10.12	1.14
ICICI Bank Limited	4.58	16	10.75	3.39
ICICI Bank Limited	5.89	42	10.76	1.48
ICICI Bank Limited	4.38	26	10.50	1.91
ICICI Bank Limited	6.26	26	10.49	2.73
ICICI Bank Limited	4.58	26	10.50	2.00
ICICI Bank Limited	4.93	26	10.50	2.16
Total	29655.58			4702.82
Net of current maturities	24952.76			

*Now Merged with State Bank of India

(Amount In Lakhs)

	AS AT 31st March,2018	AS AT 31st March,2017	AS AT 1st April,2016
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NOTE - 13: PROVISIONS (NON CURRENT)

Provision of employee benefits:

a) Leave encashment-Compensated Absence	185.73	176.60	160.45
b) Gratuity (Refer Note 41)	424.87	387.73	348.48
Total	610.60	564.33	508.93

NOTE - 14: DEFERRED TAX LIABILITIES (NET)

Deferred tax liabilities (Gross deferred tax liability (A) [Refer Note 40 (a)])	1308.00	2034.00	2674.00
Deferred tax assets (Gross deferred tax assets (B) [Refer Note 40 (a)])	249.00	350.00	192.00
Deferred tax liability (Net) (A-B)	1059.00	1684.00	2482.00
Less			
MAT Credit Entitlement	0.00	0.00	1083.42
Total	1059.00	1684.00	1398.58

NOTE - 15: OTHER NON CURRENT LIABILITIES

Deferred Interest Income on unsecured loan	0.00	6.98	13.46
Deferred EPCG Grants	17.61	0.00	0.00
Total	17.61	6.98	13.46

NOTE - 16: BORROWINGS (CURRENT)

i) Secured			
From Banks			
Working Capital borrowings from banks			
Rupee Loans	2432.19	3784.98	8679.40
Foreign Currency Loans (FCL)	18046.66	15521.11	13017.02
Acceptances payable	4195.75	3343.95	0.00
Buyer Credit repayable in Foreign Currency	1158.35	2940.88	4124.66
Bills Discounted/Negotiated (FC/INR)*	574.03	9573.14	10993.75
Total	30406.98	35164.06	36814.83

*Under Letter of Credit of foreign/Indian Banks

(Amount in Lakhs)

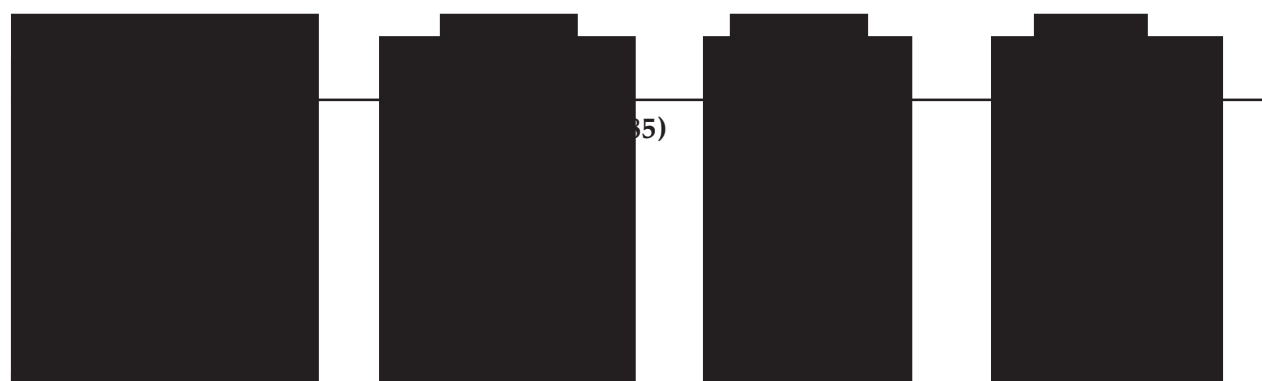
Bank wise detail of Secured loans	31st March,2018		31st March,2017		1st April,2016	
	Amount	Rate of Int.	Amount	Rate of Int.	Amount	Rate of Int.
Cash Credit						
State Bank of India (INR)	2671.93	10.00 to 10.75	378.07	10.75 to 13.65	404.02	11.30 to 12.45
Punjab National Bank (INR)	-247.83	11 to 11.60	377.48	11.60 to 13.60	435.01	11.60 to 12.25
Central Bank of India (INR)	8.09	8.90 to 11.30		11.65 to 11.65	661.81	7.95 to 11.65
Punjab and Sind Bank (INR)	0.00		0.00		850.15	11.30 to 11.30
Warehouse Receipt Limits						
State Bank of India (INR)	0.00	8.95 to 8.95	0.00	10.05 to 10.35	1380.97	10.05 to 10.85
Punjab National Bank (INR)	0.00	9.00 to 9.20	3029.43	9.20 to 10.35	4947.44	10.35 to 10.35
Total of C/C And Warehouse Receipts	2432.19		3784.98		8679.40	
Export Packing Credit Limits						
State Bank of India (FCL)	9628.48	3.20 to 3.50	10868.28	2.03 to 2.72	9130.21	2.20 to 2.55
Punjab National Bank (FCL)	5485.08	3.20 to 3.50	4652.83	2.05 to 2.72	3886.81	2.20 to 2.55
Central Bank of India (FCL)	2933.10	3.20 to 3.50	0.00		0.00	2.20 to 2.55
	18046.66		15521.11		13017.02	

ii) The Working capital borrowings (Cash Credit / Export Packing Credit) and Acceptances Payable/ Buyer Credit/Letter of Credit from consortium member banks viz. State Bank of India, (Earlier State Bank of Patiala also), Punjab and 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 and spares, stock in process, finished goods, bills, book debts and receivables and further collaterally secured against second charge on the Property, Plant and Equipment of the company at Village Meharban, Village Kanech, Village Barmalipur, Ludhiana, Village Jeeda Bathinda and equitable mortgage of commercial land and building situated at Village Barmalipur, Ludhiana owned by Sh. Raj Kumar Avasthi (Chairman and Managing Director) and Sh. Munish Avasthi (Managing Director)

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 cum Managing Director) and Sh. Munish Avasthi (Managing Director)

iv) Working capital loans are repayable on demand.



(Amount in Lakhs)

P A R T I C U L A R S	AS AT 31st March, 2018	AS AT 31st March, 2017	AS AT 1st April, 2016
NOTE - 17: TRADE PAYABLES			
Due to Suppliers (Refer Note 37 and 45)	3774.70	2143.45	1857.02
Total	<u>3774.70</u>	<u>2143.45</u>	<u>1857.02</u>
NOTE - 18: OTHER FINANCIAL LIABILITIES (CURRENT)			
Financial Liabilities at amortized cost			
a) Current Maturities of non current debt (Refer to Note No. 12)	5698.90	3950.81	4702.81
b) Interest accrued but not due on borrowings	163.32	93.04	173.97
c) Paybles for purchase of property, plant and equipments	3.42	8.04	8.28
d) Other Payables			
- Security deposit/retention money	38.50	24.30	16.00
- Employee Dues	1334.70	894.58	760.20
- Other Expenses Payables	986.59	1389.35	982.75
Financial Liabilities at Fair Value through Profit and Loss			
Derivative Financial Instruments	0.00	882.92	449.81
Total	<u>8225.43</u>	<u>7243.04</u>	<u>7093.82</u>
NOTE - 19: PROVISIONS (CURRENT)			
Provision of employee benefits:			
- Leave encashment	24.57	25.52	15.79
- Gratuity (Refer Note 41)	77.60	56.21	31.93
Total	<u>102.17</u>	<u>81.73</u>	<u>47.72</u>
NOTE - 20: OTHER CURRENT LIABILITIES			
a) Advances from Customers	87.33	475.08	251.31
b) Statutory Remittances	149.42	262.48	310.95
c) Deferred Interest Income For Unsecured Loan	6.98	6.49	6.04
Total	<u>243.73</u>	<u>744.05</u>	<u>568.30</u>
NOTE - 21: CURRENT TAX LAIBILITIES			
Provision for Current Tax			
Provision	1754.31	2073.99	892.72
Less			
Advance tax /(Including MAT Credit adjustment)	11.07	1086.62	437.72
Total	<u>1743.24</u>	<u>987.37</u>	<u>455.00</u>

PARTICULARS	Amount in Lakhs	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
NOTE - 22: REVENUE FROM OPERATIONS		
a) Sale of products	103627.18	99479.89
b) Sale of Services	66.10	87.77
c) Other operating revenue	1774.14	1985.07
Total	105467.42	101552.73
a) Detail of sale of products		
i) Yarn		
-Export	56413.09	56359.65
-Domestic	37498.89	32170.44
ii) Waste		
-Export	251.54	274.91
-Domestic	8815.88	7680.90
iii) Traded Goods/Raw Material	647.78	2993.99
	103627.18	99479.89
b) Detail of Sale of Services		
Job Work Charges	66.10	87.77
	66.10	87.77
c) Details of Other Operating Revenue		
Export Incentives	1667.62	1911.81
Sale of Scrap	106.52	73.26
	1774.14	1985.07
NOTE - 23: OTHER INCOME		
a) Profit on sale of property, plant and equipment	25.32	0.28
b) Rent Received	4.03	4.22
c) Interest Income	98.56	163.80
d) Net Gain on foreign Currency Transactions	782.56	1098.92
e) Bad debts recovered	18.00	0.00
f) Miscellaneous Income	359.36	142.43
Total	1287.83	1409.65
NOTE 24: COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	23484.82	19647.02
Add : Purchases	67239.16	64987.94
	90723.98	84634.96
Less : Closing Stock	22524.86	23484.82
Raw Material Consumed during the year*	68199.12	61150.14
*Includes cost of Raw Material sold		
Detail of Raw Material consumed		
Raw Cotton	55905.67	50986.12
Manmade Fibre	12293.45	10164.02
	68199.12	61150.14

(Amount in Lakhs)

P A R T I C U L A R S	For the Year ended 31st March,2018	For the Year ended 31st March,2017
NOTE - 25: PURCHASE OF STOCK IN TRADE		
Man Made Fibre	0.00	687.96
Raw Cotton	0.00	1295.64
Yarn	140.60	176.43
Total	<u>140.60</u>	<u>2160.03</u>
NOTE - 26: CHANGES IN INVENTORY OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK IN TRADE		
Opening Stock		
Work-In-Progress	1557.57	1102.37
Finished Goods	<u>3820.57</u>	<u>4979.24</u>
	5378.14	6081.61
Closing Stock		
Work-In-Progress	1629.76	1557.57
Finished Goods	<u>2481.57</u>	<u>3820.57</u>
	4111.33	5378.14
(Increase)/Decrease In Stock	<u>1266.81</u>	<u>703.47</u>
NOTE - 27: EMPLOYEE BENEFITS EXPENSE		
Salaries,Wages and Allowances	6747.85	6146.36
Contribution to Provident and Other Funds	591.72	540.03
Staff Welfare	45.76	63.30
Total	<u>7385.33</u>	<u>6749.69</u>
NOTE - 28: FINANCE COST		
a) Interest on Bank borrowings	2246.27	2787.51
b) Other Borrowing Cost	512.67	661.91
c) Foreign Exchange Flctuation on Foreign Currency Loans	145.83	561.64
Total	<u>2904.77</u>	<u>4011.06</u>

(Amount in Lakhs)

PARTICULARS	For the Year ended 31st March,2018	For the Year ended 31st March,2017
NOTE - 29: OTHER EXPENSES		
Power and Fuel	9447.03	10040.38
Freight, Cartage, Loading and Unloading Expenses	138.70	110.21
Packing Material	1485.39	1415.16
Dyes and Chemicals	839.89	830.53
Consumption of Stores and Spares	810.92	1013.82
Repairs to Machinery	1520.06	1241.97
Excise Duty	134.92	145.48
Building Repair	62.72	61.73
Rent	20.87	17.50
Fees and Taxes	34.51	33.72
Professional Charges	33.00	29.84
Printing and Stationery	35.98	40.67
Postage and Telegram	12.93	19.42
Telephone Expenses	13.30	17.75
Insurance	93.39	82.90
Vehicle Maintenance	104.54	90.00
General Expenses	173.68	171.81
Charity and Donation	3.66	1.85
Travelling and Conveyance	102.76	94.39
Entertainment Expenses	3.25	2.87
Directors' Meeting Fees	0.90	0.60
Payment to Auditors*	9.08	13.36
Festival Expenses	37.84	50.49
Service Tax	12.02	25.80
Worker's Conveyance	260.10	234.18
Advertisement Expenses	6.45	1.43
Prior Period Expenses	0.40	8.88
Provision for ED and VAT Refund	0.00	360.78
Ocean freight and Clearing and forwarding charges	1589.09	1400.17
Cartage, freight and Loading and Unloading	300.99	274.27
Commission and Discount	1054.82	1111.19
Total	18343.19	18943.15
* Payment to Auditors		
-Audit Fee	7.00	10.64
-Tax Audit Fee	1.00	2.01
-Others - taxation	0.00	0.23
-Reimbursement of expenses	1.08	0.48
Total	9.08	13.36
NOTE - 30: CURRENT TAX		
Income Tax	1745.48	2030.81
Income Tax on Comprehensive Income	8.83	-2.25
Current Tax of Prior Period	-148.28	0.00
Total	1606.03	2028.56

NOTE 31. First time adoption of Ind AS

This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. The transition to Ind AS has been carried out in accordance with Ind AS 101-'First time adoption of Indian Accounting Standards' with 1st April 2016 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April 2016 and financial statements as at and for the year ended 31st March 2017 in accordance with Ind AS 101.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

- a) The Company has elected to consider carrying amount of all items of property, plant and equipments measured as per Indian GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.
- b) The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2016.
- c) The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:
 - Fair values of Financial Assets & Financial Liabilities
 - Impairment of financial assets based on expected credit loss modal
 - Discount rates

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017.

(Amount in Lakhs)

Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Particulars	Note No.	As per Indian GAAP	IND AS Adjustments	As per IND AS
Revenue from operations (net)	5	101407.26	145.47	101552.73
Other income	1	1403.61	6.04	1409.65
I. Total Income		102810.87	151.51	102962.38
II Expenses :				
Cost of materials consumed		61150.14	0.00	61150.14
Purchases of stock-in-trade		2160.03	0.00	2160.03
Changes in inventories of finished goods, work-in-progress and stock-in-trade		703.47	0.00	703.47
Employee benefits expense	4	6756.19	(6.50)	6749.69
Finance costs	1,2,7	3948.54	62.52	4011.06
Depreciation and amortization	2	5797.76	(23.90)	5773.86
Other expenses	5	18797.67	145.48	18943.15
Total Expenses		99313.80	177.60	99491.40
III Profit/(loss) before tax (I-II)		3497.07	(26.09)	3470.98
IV Tax expense:				
(1) Current tax	4	2088.56	2.25	2090.81
(2) Deferred tax	8	(795.00)	(3.00)	(798.00)
Tax Penalty		0.00	0.00	0.00
V Profit (Loss) for the period (III-IV)		2203.51	(25.34)	2178.17
VI Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	4		(6.50)	(6.50)
-Remeasurements of the defined benefits plans	4		2.25	2.25
(ii) Income tax relating to items that will not be reclassified to profit or loss			0.00	0.00
B (i) Items that will be reclassified to profit or loss			0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss			0.00	0.00
VII. Total Comprehensive Income for the period (V+VI)		2203.51	(29.59)	2173.92

(Amount in Lakhs)

Reconciliation of Equity as on 31st March, 2017 and 1st April, 2016

	Particulars	Note No.	As at 31st March, 2017			As at 1st April, 2016		
			As per Indian GAAP	Ind AS Adjustments	As per Ind AS	As per Indian GAAP	Ind AS Adjustments	As per Ind AS
	ASSETS							
1	Non-current assets							
	(a) Property, Plant and Equipment	2	34037.80	-125.71	33912.09	39680.93	-149.63	39531.30
	(b) Capital work-in-progress		740.84		740.84	197.24	0.00	197.24
	(c) Other Intangible Assets		132.23		132.23	179.68	0.00	179.68
	(d) Other non-current Assets		1083.81	0.00	1083.81	1071.67	0.00	1071.67
	Total Non-current assets		35994.68	-125.71	35868.97	41129.52	-149.63	40979.89
2	Current assets							
	(a) Inventories		30258.30	0.00	30258.30	26801.41	0.00	26801.41
	(b) Financial Assets		0.00	0.00	0.00	0.00	0.00	0.00
	-Trade receivables		5780.63	9573.15	15353.78	4874.98	10993.75	15868.73
	-Cash and cash equivalents		52.06	0.00	52.06	298.63	0.00	298.63
	-Other financial assets		1.36	0.00	1.36	59.53	0.00	59.53
	(c) Other current assets		5355.41	0.00	5355.41	6799.45	0.00	6799.45
	Total Current assets		41447.76	9573.15	51020.91	38834.00	10993.75	49827.75
	TOTAL ASSETS		77442.44	9447.44	86889.88	79963.52	10844.12	90807.64
	EQUITY AND LIABILITIES							
I	Equity							
	(a) Equity Share capital	7	1191.51	-851.62	339.89	1191.35	-851.62	339.73
	(b) Other Equity		17539.06	313.29	17852.35	15335.18	342.88	15678.06
	Total Equity		18730.57	-538.33	18192.24	16526.53	-508.74	16017.79
II	Liabilities							
1	Non-current liabilities							
	(a) Financial Liabilities							
	-Borrowings	1,2,7	19665.49	413.14	20078.63	25681.57	350.62	26032.19
	(b) Provisions		564.33	0.00	564.33	508.93	0.00	508.93
	(c) Deferred tax liabilities (Net)	8	1698.00	-14.00	1684.00	1409.58	-11.00	1398.58
	(d) Other non-current liabilities	1,	0.00	6.98	6.98	0.00	13.46	13.46
	Total Non-current liabilities		21927.82	406.12	22333.94	27600.08	353.08	27953.16
2	Current liabilities							
	(a) Financial Liabilities							
	-Borrowings	6	25590.91	9573.15	35164.06	25821.08	10993.75	36814.83
	-Trade payables		2143.45	0.00	2143.45	1857.02	0.00	1857.02
	-Other financial liabilities		7243.04	0.00	7243.04	7093.82	0.00	7093.82
	(b) Provisions		81.73	0.00	81.73	47.72	0.00	47.72
	(c) Other current liabilities	1	737.55	6.50	744.05	562.27	6.03	568.30
	(d) Current Tax Liabilities (Net)		987.37	0.00	987.37	455.00	0.00	455.00
	Total Current liabilities		36784.05	9579.65	46363.70	35836.91	10999.78	46836.69
	TOTAL EQUITY AND LIABILITIES		77442.44	9447.44	86889.88	79963.52	10844.12	90807.64

Note:

The figures of Indian GAAP have been reclassified to confirm to presentation requirements of Division II of Schedule III of Companies Act, 2013

Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st March 2017**1. Financial instruments measured at amortized cost**

Under Indian GAAP, interest free loan from directors are recorded at their transaction value. Under Ind AS, these loans are to be measured at amortized cost on the basis of effective interest rate method. Due to this, long term borrowings have been decreased with ₹ 13.47 lakhs as on 31st March 2017 (1st April 2016 ₹ 19.50 lakhs). The difference between carrying amount and amortized cost has been recognized as 'Deferred interest income'. The said deferred interest income has been recognized under the head 'Other non current liabilities' (31st March 2017 ₹6.98 lakhs 1st April 2016 ₹ 13.47 lakhs) and 'Other current liabilities' (31st March 2017 ₹ 6.49 lakhs 1st April 2016 ₹6.03 lakhs).

Further, finance cost for the year ended 31st March 2017 has been increased by ₹ 6.03 lakhs which is offset by the notional interest income of ₹6.03 lakhs under the head 'Other Income'

2. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and are either charged to profit or loss for the period or are capitalized in property, plant and equipments.

Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and are either charged to profit or loss or are capitalized in property, plant and equipments using the effective interest method over the period of loan. This has resulted a decrease in long term borrowings on account of unamortized amount of processing charges with ₹85.45 lakhs as on 31st March 2017 (1st April 2016 ₹ 117.55 lakhs). This has resulted a corresponding decrease in retained earnings and property, plant and equipments with ₹ 40.27 lakhs and ₹125.71 lakhs respectively as on 31st March 2017 (1st April 2016 ₹32.07 lakhs and ₹ 149.62 lakhs respectively). This has also resulted in net decrease of ₹8.17 lakhs in the profit for the year ended 31st March 2017 having effect of decrease of ₹ 23.91 lakhs in depreciation and amortization expenses and increase in finance cost of ₹32.10 lakhs

3. Capital grant

Under Indian GAAP, certain capital grant received from Government as 'Promoter Contribution' is shown under the head 'Capital reserve'. Under Ind AS, such grant is treated as deferred income and is recognized as income over the useful life of the assets for which such grant is received. This has resulted a decrease in Capital reserve of ₹ 90.00 lakhs as on 31st March 2017(1st April 2016 ₹ 90.00 lakhs) with a corresponding adjustment in retained earnings.

4. Defined benefit obligation

Under Ind AS, remeasurements i.e actuarial gains and losses are to be recognized in 'Other comprehensive income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss. Therefore, actuarial loss amounting to ₹ 6.50 lakhs for the financial year ended 31st March 2017 has been recognized in OCI (net of taxes of ₹ 2.25 lakhs) which was earlier recognized Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2017.

5. Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus, sale of goods under Ind AS has increased by ₹145.47 lakhs with a corresponding increase in other expenses as on 31st March, 2017.

6. Bill discounted against debtors

Under Indian GAAP, bills discounted against debtors were shown as contingent liability. However, the same falls under the category of 'Financial instruments' under Ind AS. Therefore, the bills discounted amounting to ₹ 9,573.14 lakhs and ₹ 10,993.75 lakhs as on 31st March 2017 and 1st April 2016 respectively have been shown under 'Short term borrowings' with a corresponding adjustment in 'Trade receivables'. However, the same has no impact on the total equity as at 31st March, 2017 and 1st April, 2016.

7. Non-Convertible preference shares

The Company has issued non cumulative non convertible redeemable preference shares. Under Indian GAAP, the preference shares were classified as equity. Under Ind AS, the same has been treated as a financial liability as per criteria mentioned in Ind AS 32 and interest on said financial liability is recognised using the effective interest method. On account of this, the share capital is reduced by ₹ 851.62 lakhs as on 31st March, 2017 (1st April 2016: ₹ 851.62 lakhs) with a corresponding increase in long term borrowings of ₹ 512.06 lakhs as on 31st March 2017 (1st April 2016 ₹ 487.67 lakhs) and other equity of ₹ 339.56 lakhs as on 31st March 2017 (1st April 2016 ₹363.95 lakhs). This has also resulted increase in finance cost of ₹ 24.39 lakhs for the year ended 31st March 2017 on account of unwinding of interest which has lead to decrease in the net profit with the said amount.

8. Deferred tax

Under Indian GAAP, deferred tax was recognized for the temporary timing differences which focus on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Further, the application of Ind AS has resulted in recognition of deferred tax on certain temporary differences which was not required under Indian GAAP. Accordingly, deferred tax adjustments have been recognised in correlation to the underlying transactions in retained earnings/OCI in accordance with Ind AS. This has resulted decrease in deferred tax liability of ₹14.00 lakhs and ₹11.00 lakhs as at 31st March 2017 and 1st April 2016 respectively. The net profit for the year ended 31st March 2017 has been decreased with ₹3.00 lakhs with a corresponding adjustment in 'Deferred tax liability'.

9. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

32 (a) Financial Instruments by Category

The carrying value and fair value of financial instruments at the end of each reporting period is as follows:

Particulars	At Amortized cost	At fair value through profit or loss	At fair value through OCI	Total carrying value	Total Fair value
As at 31st March 2018					
Assets					
Trade receivables (Refer Note 6)	13169.56	-	-	13169.56	13169.56
Cash and Cash Equivalents (Refer Note 7)	80.89	-	-	80.89	80.89
Other financial assets (Current) (Refer Note 8)	2.25	33.89	-	36.14	36.14
Total	13252.70	33.89	-	13286.59	13286.59
Liabilities:					
Borrowings (Non Current) (Refer Note 12)	16009.43	-	-	16009.43	16009.43
Borrowings (Current) (Refer Note 16)	30406.98	-	-	30406.98	30406.98
Trade Payables (Refer Note 17)	3774.70	-	-	3774.70	3774.70
Other financial liabilities (Current) (Refer Note 18)	8225.43	-	-	8225.43	8225.43
Total	58416.54	-	-	58416.54	58416.54
As at 31st March 2017					
Assets:					
Trade receivables (Refer Note 6)	15353.78	-	-	15353.78	15353.78
Cash and Cash Equivalents (Refer Note 7)	52.06	-	-	52.06	52.06
Other financial assets (Current) (Refer Note 8)	1.36	-	-	1.36	1.36
Total	15407.20	-	-	15407.20	15407.20
Liabilities:					
Borrowings (Non Current) (Refer Note 12)	20078.63	-	-	20078.63	20078.63
Borrowings (Current) (Refer Note 16)	35164.05	-	-	35164.05	35164.05
Trade Payables (Refer Note 17)	2143.46	-	-	2143.46	2143.46
Other financial liabilities (Current) (Refer Note 18)	6360.12	882.91	-	7243.03	7243.03
Total	63746.26	882.91	-	64629.17	64629.17
As at 1st April 2016					
Assets:					
Trade receivables (Refer Note 6)	15868.73	-	-	15868.73	15868.73
Cash and Cash Equivalents (Refer Note 7)	298.63	-	-	298.63	298.63
Other financial assets (Current) (Refer Note 8)	59.53	-	-	59.53	59.53
Total	16226.89	-	-	16226.89	16226.89
Liabilities:					
Borrowings (Non Current) (Refer Note 12)	26032.19	-	-	26032.19	26032.19
Borrowings (Current) (Refer Note 16)	36814.83	-	-	36814.83	36814.83
Trade Payables (Refer Note 17)	1857.02	-	-	1857.02	1857.02
Other financial liabilities (Current) (Refer Note 18)	6644.01	449.81	-	7093.82	7093.82
Total	71348.05	449.81	-	71797.86	71797.86

32 (b) Fair Value Measurement

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

Particulars	Fair Value	Level 1	Level 2	Level 3
As at 31st March 2018				
Other financial assets (current)				
-Derivative financial instruments	33.89	-	-	33.89
As at 31st March 2017				
Other financial liabilities (current)				
-Derivative financial instruments	882.91	-	-	882.91
As at 1st April 2016				
Other financial liabilities (current)				
-Derivative financial instruments	449.81	-	-	449.81

NOTE - 33**Contingent Liabilities and Commitments****(a) Contingent Liabilities****(Amount in Lakhs)**

Sr.No.	Particulars	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
a)	Letter of Credit(s)/Bank Guarantee(s) issued by banks	1433.29	3154.70	2619.96
b)	Disputed Income Tax Liabilities of cases pending with appellate authorities.	396.96	356.09	356.09
c)	Provident Fund disputes pending with Employees Provident Fund Appellate Tribunal.	10.82	8.59	8.59
d)	Disputed Sales Tax/VAT Liabilities of cases pending with appellate authorities.	29.41	29.41	21.20
e)	Disputed Excise Liabilities of cases pending with appellate authorities	44.87	44.87	44.87
f)	Disputed Electricity Liabilities of cases pending with appellate authorities.	415.00	415.00	415.00

Note: Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favour in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

(b) Commitments**(Amount in Lakhs)**

Sr.No.	Particulars	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
a)	Commitments on account of Capital account remaining to be executed (Net of Advances).	19992.83	1210.58	1137.12
b)	Bonds against un-fulfilled export obligations under Export Promotion Capital Goods/Duty Exemption scheme. (Refer Note below)	3149.77	547.70	314.53

Note: During the financial year 2017-18, the amount of Duty saved on import of spares under EPCG license has been charged to expense for ₹ 16.45 Lakhs and duty saved on import of Capital goods under EPCG license has been capitalized for ₹1.16 Lakhs and corresponding effect of the both amounts has been offset with Deferred Income EPCG Obligations account.

NOTE - 34**Amortization of Intangible Assets**

Software purchased and expenditure on power lines have been amortized @20% on straight line basis as the useful life has been estimated to be not more than five years.

NOTE - 35**Impairment of Assets**

In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

NOTE-36**Earning Per Share**

The calculation of Earning per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share"

A statement on calculation of basic and diluted EPS is as under:

Particulars	(Amount in Lakhs)	
	Current Year	Previous Year
Profit after tax for the year attributable to equity shareholders (Amount in Lakhs).	1915.84	2178.17
Weighted average number of equity shares (No's).	3561000	3561000
Basic earnings per share of ₹10/- each.	53.80	61.17
Diluted* earnings per share of ₹10/- each.	53.80	61.17
Nominal Value of per share of (₹)	10.00	10.00

*There are no potential equity shares.

NOTE-37

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to Micro and small enterprise.

Sr.No.	Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
1.	Principal amount remaining unpaid to any supplier at the end of accounting period	-	-	-
2.	Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-	-
3.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting period	-	-	-
4.	The amount of interest due and payable for the period of delay in making payment	-	-	-
5.	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
6.	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interests due as above are actually paid to small enterprises.	-	-	-

Dues of Micro and Small enterprises have been determined on the basis of information collected by the management. This has been relied upon by the auditors.

NOTE - 38**LEASE EXPENSES**

The company has entered into operating leases for its godowns, land, building, guest house and residential house that are renewable on a periodic basis. The company has not entered into sub-lease agreements in respect of these leases. The lease rentals charged in the statement of profit and loss for the year is ₹ 20.87 Lacs (Previous year is ₹17.50 Lacs).

The total of future minimum lease payments are as follows:-

Particulars	(Amount in Lakhs)	
	As on March 31, 2018	As on March 31, 2017
Not Later than one year	20.66	17.50
Later than one year but not later than five years	53.52	43.20
Later than five years	28.80	11.60

LEASE INCOMES

The company has entered into operating leases for its land and building that are renewable on a periodic basis. The lease rentals incomes booked in the statement of Profit and Loss for the year is ₹4.03 Lakhs (Previous year is ₹ 4.22 Lakhs).

The total of future minimum lease rent receipts are as follows:-

Particulars	(Amount in Lakhs)	
	As on March 31, 2018	As on March 31, 2017
Not Later than one year	4.10	4.03
Later than one year but not later than five years	17.11	16.82
Later than five years	12.31	16.70

NOTE- 39**Related Party Disclosure:****1.) Related Parties and their relationship: ---****a) Key Management Personnel****I. Whole Time Directors**

- Raj Kumar Avasthi
- Munish Avasthi
- Naresh Jain

II. Non Executive Independent Directors

- Sunil Puri
- Prashant Kochhar
- Harbhajan Kaur Bal

III. Executive Officers

- Parveen Kumar Gupta

IV. Company Secretary

- Nikhil Kalra

b) Relatives of Key Management Personnel

- Anjali Avasthi

c) Enterprises over which Key Management Personnel and relative of such personnel is able to exercise significant influence

- N.R.S. Knitwear's
- Sobhagia Clothing Co.
- Fashionable Attire
- Nagesh Classic
- Sobhagia Sales (P) Ltd.
- Aradhana Fabrics (P) Ltd.
- Marvel Dyers and Processors (P) Ltd.
- Daksh Creations
- Dada Motors Pvt. Ltd.
- Dada Motors
- Raj Kumar Avasthi HUF

d) Employee Benefit Trust where control exists

- Sportking India Limited Employee Group Gratuity Trust

2). Description of nature of transactions with related parties:

Related Party Transactions:

(Amount in Lakhs)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Key Management Personnel and relative of such personnel is able to exercise significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Expenditures						
Purchase of Goods	-	-	-	-	1247.17	1285.81
Purchase of Services	-	-	-	-	17.40	16.01
Purchase of License	-	-	-	-	8.75	-
Purchase Others	-	-	-	-	3.00	-
Remuneration Paid (Refer Note.1)	272.03	287.82	-	-	-	-
Director Sitting Fees	0.90	0.90	-	-	-	-
Lease Rent	9.86	9.86	6.00	2.00	4.80	4.80
Incomes						
Sale of Goods	-	-	-	-	2595.77	3291.42
Sale of Licenses	-	-	-	-	41.37	-
Job Work	-	-	-	-	43.35	43.45
Rent Received	-	-	-	-	3.54	3.00
Unsecured Loans						
Opening Balance (Refer Note.2)	100.00	100.00	-	-	-	-
Add: Received during the year	-	-	-	-	-	-
Less: Repaid during the year	-	-	-	-	-	-
Closing Balance	100.00	100.00	-	-	-	-
Amount receivable at the end of year						
Sobhagia Sales (P) Ltd.					2643.78	1401.96
Aradhana Fabrics (P) Ltd.					87.00	98.08
Sobhagia Clothing Co.					1183.13	726.21
Marvel Dyers and Processors (P) Ltd.					-	1.15
Nagesh Classic					60.99	65.26
Daksh Creations					-	0.62
Fashionable Attire					58.15	70.57
N.R.S. Knitwears					4.24	10.44
Amount Payable at end of year						
Marvel Dyers and Processors (P) Ltd					1.24	-
Dada Motors					0.12	0.09

Note: 1- Managerial remuneration does not include provisions made for Gratuity and Compensated absence amounts as these are determined on actuarial basis for the company as a whole. Further remuneration does not include value of non-cash perquisites.

Note:2- The Loan from directors in financial statements at note no. 12 is net of deferred interest of ₹6.98 Lakhs (Previous year ₹613.47 Lakhs)

Note: 3 - Contribution to Sportking India Limited Employee Group Gratuity Trust during the reporting period is ₹ 51.76 Lakhs (Previous year- ₹ 22.33 Lakhs)

NOTE-40

(a) The detail of deferred tax liabilities and assets as at the end of each reporting period is as under:
(Amount in Lakhs)

	As at 1st April 2016	Movement during 2016-17	As at 31st March 2017	Movement during 2017-18	As at 31st March 2018
Deferred tax liability					
Impact of Depreciation	2634.00	(629.00)	2005.00	(717.00)	1288.00
Impact of unamortized Processing charges	40.00	(11.00)	(29.00)	(9.00)	20.00
(A)	2674.00	(640.00)	2034.00	(726.00)	1308.00
Deferred tax Asset					
Provision for Gratuity and Leave with Wages and Other disallowances u/s 43B of Income tax Act	192.00	158.00	350.00	101.00	249.00
(B)	192.00	158.00	350.00	(101.00)	249.00
Deferred tax liability (Net) (A-B)	2482.00	(798.00)	1684.00	(625.00)	1059.00

(b) Reconciliation of Deferred tax liabilities (Net)

Particulars	Current Year	Previous Year
Deferred tax liability at the beginning of the year	1684.00	2482.00
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	(625.00)	(798.00)
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	-	-
Deferred tax (income)/expenses during the year recognized in directly in equity	-	-
Deferred tax liability at the end of the year	1059.00	1684.00

(c) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate :

Particulars	Current Year	Previous Year
Accounting profit before tax	2888.04	3470.98
Tax at statutory income tax rate of 34.608% (31 March 2017: 34.608%)	999.49	1201.24
Tax effect of the amounts not deductible for computing taxable income		
Depreciation difference	717.89	627.04
Disallowances of Gratuity/LWW	60.59	61.76
Deductions/Exemption/Non Taxable items	1.40	130.09
Allowable Deductions of Gratuity/LWW	-42.38	-30.53
Others	17.24	41.30
Profit on sale of Property, Plant and Equipment	-8.76	-0.09
Income tax expense	1745.47	2030.81

NOTE-41

Disclosures on 'Employee Benefits'

(a) Defined Contribution Plan

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

	(Amount in Lakhs)	
	Current Year	Previous Year
Employer's Contribution to Provident Fund	431.40	394.67
Charged to statement of profit or loss		

Note: The Company had capitalized the amount of ₹1.54 Lakhs during the current financial year out of the above total contribution (Previous Year Nil).

Gratuity:

The following tables set out the disclosures in respect of the gratuity plan as required under Ind AS 19.

(Amount in Lakhs)

(a) Changes in the present value of the obligations:

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Present value obligation as at beginning of the year	546.81	454.69
Interest cost	40.98	35.89
Current Service cost	140.67	112.01
Past Service Cost	15.93	-
Benefits Paid	(93.10)	(62.37)
Actuarial (gain)/ loss on Obligations	(26.43)	6.59
Present value obligation as at end of the year	624.86	546.81

b) Change in Fair Value of Plan Asset

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Fair value of Plan Assets as at beginning of the year	102.88	75.18
Return on Plan Assets	7.71	5.86
Actuarial gain/(Loss)	(0.91)	0.09
Contributions	51.76	22.33
Benefits Paid	(39.05)	(0.59)
Fair value of Plan Assets as at end of the year	122.38	102.87

(c) Amount recognized in Balance Sheet

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Present value obligation as at end of the year	624.86	546.81
Fair value of Plan Assets as at end of the year	(122.38)	(102.88)
Funded Status	502.48	443.94
Unfunded Net (Asset)/Liability recognized in Balance Sheet.	502.48	443.94

(d) Cost Recognized Statement of Profit and Loss:

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Current service cost	140.67	112.01
Past service cost	15.93	
Interest cost	33.27	30.03
Expected Interest Income	-	-
Total Expenses recognized in statement of Profit and Loss	189.87	142.04

(e) Re-measurements recognized in Other Comprehensive Income:

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Actuarial (gain)/loss for the year on PBO	(26.43)	6.59
Actuarial (gain)/loss for the year on Asset	0.91	(0.09)
Net Actuarial (gain)/Loss	(25.52)	6.50

(f) Investment details of Fund :

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Funds Managed by Insurer	121.41	101.97
Mutual Funds	0.97	0.90
TOTAL	122.38	102.87

(g) Principal actuarial assumption at the Balance Sheet Date

Particulars	31st March 2018	31st March 2017
Discount Rate (per annum)	7.80%	7.50%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Expected Average remaining working lives of employees (years)	26.41	27.21
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(h) The quantitative sensitivity analysis on net liability recognized on account of change in significant actuarial assumptions:

Particulars	(Amount in Lakhs) Increase/(Decrease) in liability	
	As at 31.03.2018	As at 31.03.2017
Discount Rate		
1.00% Increase	(71.69)	(65.94)
1.00% decrease	87.68	81.11
Salary Growth Rate		
1.00% Increase	87.08	77.61
1.00% decrease	(72.79)	(64.68)
Attrition Rate		
50.00% Increase	1.22	(0.44)
50.00% decrease	(2.05)	(0.02)
Mortality Rate		
10.00% Increase	0.18	0.14
10.00% decrease	(0.19)	(0.14)

(i) The following payments are expected cash flows to the defined benefit plan in future years:

Particulars	As at 31.03.2018	As at 31.03.2017
Within 1 year	61.87	45.19
2-5 years	127.01	115.12
6-10 years	222.78	166.70
Beyond 10 years	1928.11	1708.67
Total expected payments	2339.77	2035.68

(j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.00 years (Previous Year: 14.00 years).

(k) The expected contribution to the trust during the next year is ₹ 680.56 Lakhs (Previous Year ₹ 605.66 Lakhs)

NOTE-42

Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the company

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk and investment risk.

a) Foreign currency risk

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 55% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

(Amount in FC-Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
a) Exposure on account of Financial Assets		
Trade receivables (A)		
-In USD	36.86	43.99
-In Euro	-	-
-In CHF	-	-
Amount hedged through forwards(B)		
-In USD	17.00	43.99
-In Euro	-	-
-In CHF	-	-
Net Exposure to Foreign Currency Assets (C=A-B)		
-In USD	19.86	-
-In Euro	-	-
-In CHF	-	-
b) Exposure on account of Financial Liabilities		
Trade Payables and Loans (D)		
-In USD	390.95	558.18
-In Euro	0.05	-
-In CHF	0.08	-
Amount Hedged through forwards (E)		
-In USD	105.20	458.93
-In Euro	-	-
-In CHF	-	-
Net Exposure to Foreign Currency Liabilities (F=D-E)		
-In USD	285.75	99.25
-In Euro	0.05	-
-In CHF	0.08	-
Net Exposure to Foreign Currency (F-C)		
-In USD	265.89	99.25
-In Euro	0.05	-
-In CHF	0.08	-

The following significant exchange rates applied during the year:

Particulars	2017-18 (Average exchange rate)	2016-17 (Average exchange rate)	2017-18 (Year end rates)	2016-17 (Year end rates)
INR/USD	64.45	67.07	65.18	64.86
INR/EURO	75.40	73.60	80.82	73.70
INR/CHF	66.39	67.89	68.50	67.42
INR/GBP	85.49	87.70	92.29	83.81
INR/JPY	0.58	0.62	0.62	0.62

Foreign currency sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD, CHF and Euro exchange rates (with all other variables held constant) will be as under:

(Amount in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
10% Strengthening/ weakening of USD against INR	1733.05	643.81
10% Strengthening/ weakening of Euro against INR	0.43	-
10% Strengthening/ weakening of CHF against INR	0.59	-

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is as below:

(Amount in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Variable Rate Instruments		
Borrowings (Non-current) (inclusive of current maturities)	21122.26	23478.87
Borrowings (Current)	21637.20	22246.97
Total variable rate Borrowings	42759.46	45725.84

Particulars	As at 31st March 2018	As at 31st March 2017
Fixed Rate Instruments		
Borrowings (Non-current) (inclusive of current maturities)	16.63	37.42
Borrowings (Current)	8769.78	12917.08
Total fixed rate Borrowings	8786.41	12954.50

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(Amount in Lakhs)	
	31 March 2018	31 March 2017
Increase/ (decrease) in 100 basis point	427.59	457.26

c) Investment Risk:

Company has not made any investments hence it is not exposed to investment risk.

(ii) Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	(Amount in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Borrowings from Banks		
0-1 years	36105.88	39114.86
1-2 years	5389.47	5597.56
2-5 years	9768.43	13139.84
More than 5 years	282.08	828.08
Trade Payables		
0-1 years	3774.70	2143.46
1-2 years	-	-
2-5 years	-	-
More than 5 years	-	-
Other Financial liabilities		
0-1 years	2526.53	3292.23
1-2 years	-	-
2-5 years	-	-
More than 5 years	-	-

(iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss:

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Revenue from top five customers		
- Amount of sales (In Lacs)	28536.07	18750.70
-% of total sales	27.52	18.83
(b) Allowance for doubtful debt		
-Balance at the beginning of the period	0.00	0.00
-Recognized during the year	0.00	0.00
-Amount written off		
-Balance at the end of the period	0.00	0.00

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 6.

Write off policy

The financial assets are written off in case there is no reasonable expectation of recovering from the financial asset.

NOTE-43**Capital Management**

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

Particulars	(Amount in Lakhs)	
	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
Borrowings	21708.33	24029.44
Less: Cash and cash equivalents	80.89	52.06
Net debt (A)	21627.44	23977.38
Total Equity (B)	20129.46	18192.24
Capital and Net debt (C= A+B)	41756.90	42169.62
Gearing ratio (A/C)	51.79%	56.86%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2018.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2018 and 31 March 2017.

NOTE-44

Assets pledged as Security:-

The Carrying amount of assets pledged as security for current and non-current borrowings are:-

Particulars	(Amount in Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Current Assets			
Financial Assets			
Trade receivables	13169.56	15353.78	15868.73
Non-Financial Assets			
Inventory	28134.57	30258.30	26801.41
Total Current Assets Pledged as Security (A)	41304.13	45612.08	42670.14
Non Current Assets			
Property Plant and Equipment	29219.63	33912.09	39531.30
Total Non Current Assets Pledged as Security (B)	29219.63	33912.09	39531.30
Total Assets Pledged as Security (A+B)	70523.76	79524.17	82201.44

NOTE - 45

(a) The trade receivables include ₹ 2854.17 lakhs due from the firms and private companies in which any director is a partner or a director or a member.

(b) The advances to suppliers include ₹ 1183.13 lakhs due from the firms and private companies in which any director is a partner or a director or a member.

(c) The trade payables include ₹ 1.36 lakhs due to the firms and private companies in which any director is a partner or a director or a member.

NOTE -46**Segment Reporting**

The Company's Chief Operational Decision Makers consisting of chief executive officer and chief finance officer examines the company's performance both from product and geographic perspective.

From product perspective, the company is a single segment company operating in textile business and disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required.

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers geographically is as follows:

Segment Revenue- External Turnover

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Within India	46962.56	42845.33
Outside India	56664.63	56634.55
Total Revenue	103627.19	99479.89

The transactions with any single external customer do not exceed 10% of the company's total revenue.

NOTE -47

In accordance with provisions of section 135 of the Companies Act, 2013, a company meeting the applicable threshold, need to spend at least 2% of the average net profit for the immediate preceding three financial years on Corporate Social Responsibility (CSR) activities as defined in schedule-VII of the Companies Act 2013. The company has spent a sum of ₹ Nil (previous year ₹ Nil) towards approved Corporate Social Responsibility (CSR) activities. The unspent amount as at reporting date is ₹ 38.55 Lakhs (Previous year ₹43.92 Lakhs.)

NOTE -48

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognized as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

NOTE- 49**Recent Accounting pronouncements****(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, "Foreign Currency Transactions and Advance Consideration" which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment is applicable for annual reporting periods beginning on or after April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

(ii) Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

NOTE- 50**Reconciliation of Cash flow from financing Activities**

In Pursuant to amendment in the Companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after para 44 in Indian Accounting Standard -7 "Statement of Cash Flows", following reconciliation required from beginning on or after 1st April, 2017

Particulars	(Amount in Lakhs)	
	Short Term Borrowings	Long Term Borrowings (incl. current maturities)
Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	35164.05	23516.30
Changes during the year		
a) Changes from financing cash flow	(5050.31)	(2460.51)
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) the effect of changes in foreign exchanges rates- (Gain)/Loss	293.23	83.10
d) Changes in fair value	-	-
e) Other Changes	-	-
Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	30406.98	21138.89

NOTE - 51

The previous year figures have been regrouped/ restated wherever necessary.

As per our report of even date attached
For SCV & Co.LLP
Chartered Accountant
Firm Regn No. 000235N/N500089

For and on behalf of Board of Directors

Sanjiv Mohan
(Partner)
M.No.086066

Raj Kumar Avasthi
Chairman cum Mg. Director
DIN No.01041890

Munish Avasthi
Managing Director
DIN No.00442425

Naresh Jain
Executive Director
DIN No.00254045

Place: Ludhiana
Date: May 21, 2018

P.K.Gupta
Chief Financial Officer

Nikhil Kalra
Company Secretary
FCS No. 9498

Notice For Equity Shareholders

Pursuant to SEBI Notification dated 08.06.2018, a major amendment has been brought in Listing Regulations namely SEBI (LODR) FOURTH AMENDMENT, REGULATIONS 2018.

As per the notification, transfer of securities (except in case of transmission of share) shall not be processed unless securities are held in dematerialized form with a depository. This notification will be effective from 180th day from the date of this notification. In other words, request for transfer of shares held in physical form will not be processed w.e.f. 05.12.2018 and it shall be mandatory to demat the securities for getting the shares transferred.

Shareholder/s are advised to note the above and take all necessary step at their end.

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 Website: www.sportking.co.in

ATTENDANCE SLIP
 E-VOTING PARTICULARS

29th ANNUAL GENERAL MEETING

I/we hereby record my/our presence at the 29th Annual General Meeting of the Company, to be held on Saturday, the 29th day of September, 2018 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. 11 of the Notice of 29th 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 Website: 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 29th Annual General Meeting of the Company, to be held on Saturday, the 29th day of September, 2018 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, 2018 and the Reports of the Auditors and Directors thereon.
2.	To Appoint a Director in place of Sh. Naresh Kumar Jain (DIN 00254045), who retires by rotation and being eligible offers himself for re-appointment.
3.	Ratification of the Remuneration of the Cost Auditors for Financial Year 2018-19
4.	To Increase of the Remuneration of Sh. Raj Kumar Avasthi, (DIN: 01041890) Managing Director of the Company.
5.	To Increase of the Remuneration of Sh. Munish Avasthi, (DIN: 00442425) Managing Director of the Company.
6.	Remuneration of Sh. Naresh Kumar Jain (DIN 00254045), Whole Time Director of the company
7.	To Create, offer, issue and allot Non/Cummulative Non-Convertible Redeemable Preference Shares on Private Placement Basis

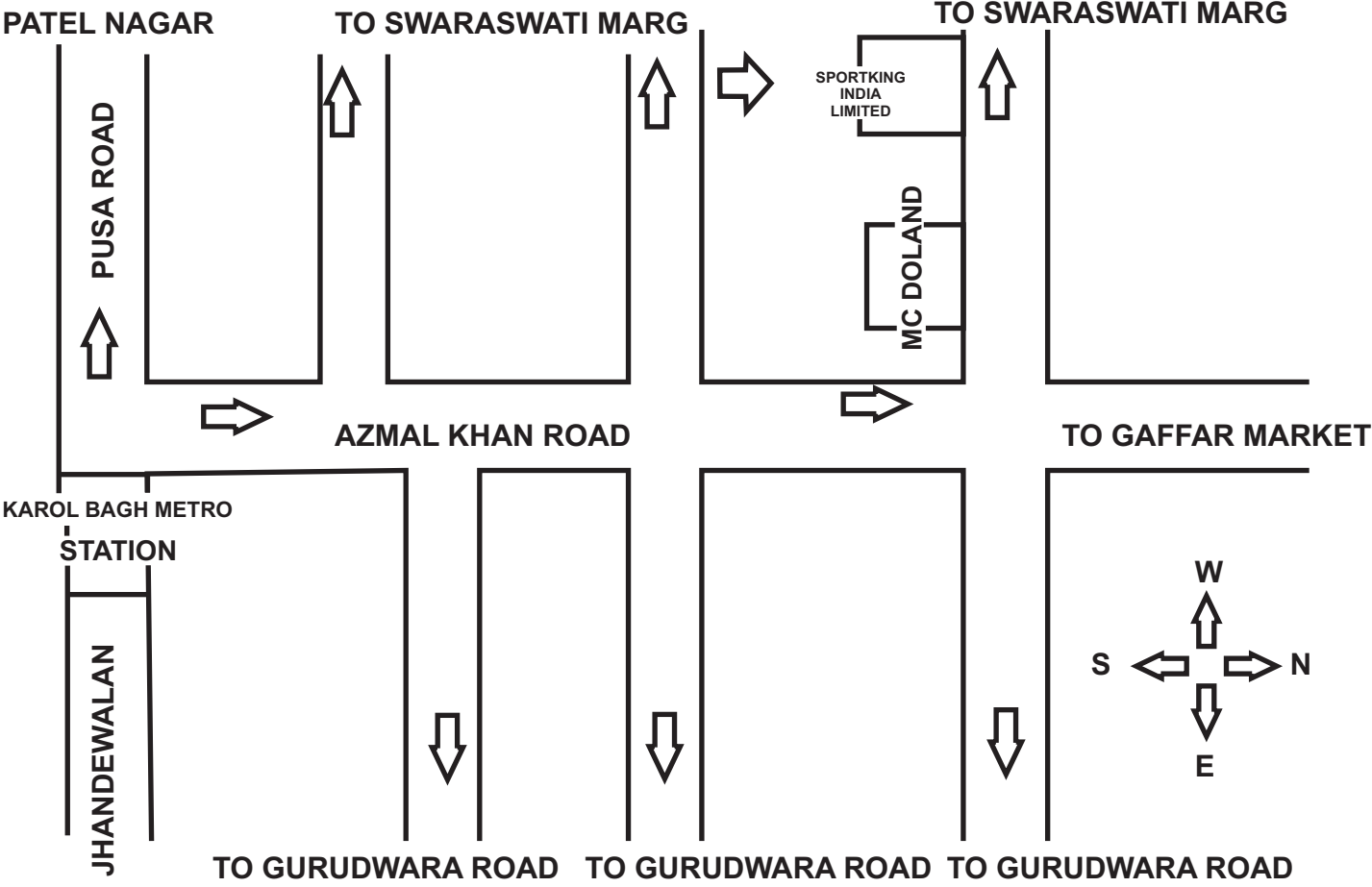
Signed this _____ day of _____, 2018

Signature of Shareholder: _____ Signature of Proxy holder(s): _____

Affix Revenue Stamp of Rs. 1/-

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





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

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

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(PRINTED MATTER)

Sportking

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

SPORTKING INDIA LIMITED
REGD OFFICE:5/69, GURU MANSION (FIRST FLOOR)
KAROL BAGH, NEW DELHI-11005
CIN-L17122DL1989PLC035050
PHONE-01125754885 EMAIL:CS@SPORTKING.CO.IN

NOTICE

Dear Shareholder(s),

Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/ DOP1/CIR/P/2018/73 dated April 20, 2018, as amended vide Circular dated July 16, 2018, has mandated the Company/ Registrar & Share Transfer Agents (RTAS) to obtain copy of PAN Card and Bank account details from all the shareholders holding shares in physical form.

Accordingly, you are requested to furnish self-attested copy of your PAN card (all shareholders in case of Joint holders) and original cancelled cheque leaf / attested bank passbook (showing the name of sole/ first account holder) to M/s Beetal Financial & Computer Services (P) Ltd Beetal House, 3rd Floor, 99, Madangir, Near Dada, Harsukhdas Mandir, New Delhi - 110062 along with the details mentioned in below format duly signed by the shareholders within 21 days

Name of the Shareholder(s)	
Folio No	
PAN (Enclose self-attested copy of PAN Card/s of all holders)	
Bank Account No. Enclose name printed original cancelled cheque / attested copy of passbook)	
Name of the Bank	
Bank Address	
IFSC No	
MICR NO	
Email ID	
Mobile/Telephone Number	

**Thanking You
Yours Faithfully
for Sportking India Limited**

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

**Place: Ludhiana
Date 31.08.2018**
