



**31<sup>st</sup> ANNUAL  
REPORT  
2019-20**

## BOARD OF DIRECTORS

Sh. Raj Kumar Avasthi  
Sh. Munish Avasthi  
Sh. Naresh Kumar Jain  
Sh. Prashant Kochhar  
Dr. Sandeep Kapur  
Smt. Harpreet Kaur Kang

Chairman & Managing Director  
Managing Director  
Executive Director  
Director  
Director  
Director

### CHIEF FINANCIAL OFFICER

Sh. Parveen Gupta

### COMPANY SECRETARY

Sh. Lovlesh Verma

### AUDITORS

SCV & Co. LLP  
B-XIX-220, Rani Jhansi Road,  
Ghumar Mandi, Ludhiana-141001

### BANKERS

#### State Bank of India

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

#### Punjab National Bank

Large Corporate Branch  
Industrial Area-A, Ludhiana-141003

#### Central Bank of India

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

#### Union Bank of India

SSI Finance Branch  
Industrial Area-A, Cheema Chowk  
Ludhiana-141003

#### Indian Bank

LCB Branch, 165, Industrial Area,  
Cheema Chowk, 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.  
Beetal House, 3rd Floor, 99 Madangir,  
Near Dada Harsukhdas Mandir  
New Delhi - 110062

# SPORTKING INDIA LIMITED

## The Journey

- Incorporated on 15<sup>th</sup> February 1989 and obtained Commencement of Business Certificate on 05<sup>th</sup> June 1990.
- In the FY 1993-1994, the company made a small beginning with Installation of 6K+ Cotton Spindles at Village Meharban, Ludhiana for manufacture of Synthetic Yarn.
- In the FY 1995-1996, the company made a Greenfield expansion with installation of 12K+ Cotton Spindles at Village Kanech, Ludhiana for manufacture of Synthetic Yarn which was expanded from time to time with present Installed Capacity of 65K+ Cotton Spindles for manufacture of Synthetic/Cotton Blended Yarn.
- In the FY 1999-2000, the company set up a Dye House at Village Barmalipur, Ludhiana for the dyeing/processing of Yarn/Fibers.
- In the FY 2010-2011/2011-2012, the company made a Greenfield expansion with installation of 57K+ Cotton Spindles at Village Jida, Bathinda for manufacture of Cotton Yarn which was expanded from time to time with present Installed Capacity of 206K+ Cotton Spindles for manufacture of Cotton/Cotton Blended Yarn.
- The present total Installed Capacity of the Company is 272K+ for the manufacture of Grey/Dyed Cotton/Cotton Blended/Synthetic Yarn.
- During the last decade of FY 2010-2011 to 2019-2020, the turnover had more than four times increase from Rs. 319 Crs to Rs. 1355 Crs.
- During the last decade of FY 2010-2011 to 2019-2020, the export turnover had about five times increase from Rs. 133 Crs to Rs. 640 Crs.
- During the last decade of FY 2010-2011 to 2019-2020, the net worth had more than five times increase from Rs. 47 Crs to Rs. 252 Crs.

## Contents of Annual Report 2019-20

<b>Particulars</b>	<b>Page No.</b>
Notice	1
Directors' Report	19
Corporate Governance Report	37
Independent Auditor's Report	50
Balance Sheet	57
Profit & Loss Statement	58
Cash Flow Statement	60
Notes on Financial Statement	61



## NOTICE

NOTICE is hereby given that the **31st Annual General Meeting** of the members of Sportking India Limited will be held on **Saturday, the 26<sup>th</sup> December 2020 at 02.00 PM** 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, 2020, including the Audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Munish Avasthi (DIN: 00442425), 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 2020-21**

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 & other applicable provisions, if any, of the Companies Act, 2013( the Act) read with the Companies (Audit and Auditors) Rules, 2014 & 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, 2021, be paid remuneration of Rs. 1,10,000/- plus applicable taxes."

4. **Regularization of the appointment of Mrs. Harpreet Kaur Kang (DIN: 03049487) as an Independent Director of the Company for a first term of consecutive five years**

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

**"RESOLVED THAT** pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ( the Act), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Harpreet Kaur Kang (DIN: 03049487), who was appointed as an Additional Director in the capacity of Independent Director (Non Executive) of the Company by the Board of Directors in their meeting held on 17<sup>th</sup> October, 2020 who holds office upto conclusion of this Annual general Meeting as per section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, who has submitted a declaration that she meets the criteria of the Independence as provided in Section 149(6) of the Act and is also qualified for such appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a fist term of consecutive 5 years from 17<sup>th</sup> October 2020.

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

5. **Re-appointment of Mr. Prashant Kochhar (DIN: 07298730) as an Independent Director of the company for a second term of consecutive five years**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152,160 read with Schedule IV & all other applicable provisions, if any, of the Companies Act 2013( the Act), the Companies ( Appointment and Qualification of Directors) Rules 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Prashant Kochhar (DIN: 07298730) ,who was appointed as an Independent Director of the

Company on 30<sup>th</sup> September, 2015 for his first term for a period of five consecutive years (i.e up to 30<sup>th</sup> September 2020) who has offered himself for re-appointment as a non-executive independent director of the company for a second term of five consecutive years and submitted a declaration that he meets the criteria of the independence as provided in Section 149(6) of the Act and is also qualified for such appointment. As recommended by Nomination and Remuneration Committee and Board of Directors, in their meeting held on 21<sup>st</sup> August 2020 consent of the members be and is hereby accorded for re-appointment of Mr. Prashant Kochhar (DIN: 07298730) as an independent director of the company for a second term of five consecutive years w.e.f. 01<sup>st</sup> October 2020 and he shall not be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013.

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

**6. Shifting of Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Punjab**

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

**"RESOLVED THAT** pursuant to the provisions of Section 12, 13 and all other applicable provisions, if any, of the Companies Act, 2013 ( the Act) read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government (power delegated to Regional Director) and/or other authority(ies) as may be prescribed from time to time and subject to such other approvals, permissions and consents, as may be required under the provisions of the said Act or under any other law for the time being in the force, the consent of the members of the Company be and is hereby accorded

- a. for shifting the Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Punjab.
- b. Clause II of the Memorandum of Association of the Company be substituted with the following clause:  
"The Registered Office of the Company will be situated in the State of Punjab".

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to accept any modifications, changes, variations, alterations or revisions stipulated by any authority, while according approval, permission, consent as may be considered necessary and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**7. Payment of Remuneration to Mr. 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( the Act) and the rules made thereunder read with Schedule- V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), consent of the members of the company be and is hereby accorded for payment of salary, Commission and perquisites (hereinafter referred to as "remuneration") to Mr. Raj Kumar Avasthi, Managing Director of the Company w.e.f 01<sup>st</sup> October, 2020 upto the date of his appointment as Managing Director i.e 30<sup>th</sup> September, 2022 on the terms and conditions as set out below:

Basic Salary of Rs. 10,00,000/- (Rupees Ten Lakh Only) Per Month with a yearly provision of additional salary/commission/perquisite of Rs. 2, 40,00,000/- (Rupees Two Crore Forty Lakh Only) payable in one or more tranches as the Board may decide from time to time, however subject to a ceiling of overall remuneration of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per year.

Perquisites - The following perquisites shall be allowed which will be included in gross remuneration 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 PartII of the Schedule V and other applicable provisions of the Companies Act, 2013 during the period from 1st October, 2020 to 30th September, 2022.

**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 and is authorized to do all such acts, deeds matters and things as may be necessary or expedient for giving effect to said resolution."

#### 8. **Payment of Remuneration to Mr. 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 (the Act) and the rules made thereunder read with Schedule- V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), consent of the members of the company be and is hereby accorded for payment of salary, commission and perquisites (hereinafter referred to as "remuneration") to Mr. Munish Avasthi, Managing Director of the Company w.e.f 01<sup>st</sup> October, 2020 upto the date of his appointment as Managing Director i.e 30<sup>th</sup> September, 2022 on the terms and conditions as set out below:

Basic Salary of Rs. 10,00,000/- (Rupees Ten Lakh Only) Per Month with a yearly provision of additional salary/commission/perquisites of Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakh Only) payable in one or more tranches as the Board may decide from time to time, however subject to a ceiling of overall remuneration of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per year.

Perquisites - The following perquisites shall be allowed which will be included in gross remuneration 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 PartII of the Schedule V and other applicable provisions of the Companies Act, 2013 during the period from 1st October, 2020 to 30th September, 2022

**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 and is authorized to do all such acts, deeds matters and things as may be necessary or expedient for giving effect to said resolution."

**9. Payment of Remuneration to Mr. 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**, 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 (the Act) and the rules made thereunder read with Schedule- V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), consent of the members of the company be and is hereby accorded for payment of salary and perquisites (hereinafter referred to as "remuneration") to Mr. Naresh Kumar Jain, Whole Time Director of the Company w.e.f 01<sup>st</sup> October, 2020 upto the date of his appointment as Whole Time Director i.e 30<sup>th</sup> September, 2022 on the terms and condition as set out below:

Basic Salary Rs. 1,15,000/- (Rupees One Lakh Fifteen Thousand Only) Per Month.

Perquisites -The following perquisites shall be allowed from in addition to Basic Salary except those prescribed under Section IV of Part II of Schedule V of the Companies Act, 2013

- a. Housing - Free furnished residential accommodation alongwith other amenities or house rent allowance equal to 50% of the basic salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
- b. Medical 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 PartII of the Schedule V and other applicable provisions of the Companies Act, 2013 during the period from 1st October, 2020 to 30th September, 2022

**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 and is authorized to do all such acts, deeds matters and things as may be necessary or expedient for giving effect to said resolution."

**10. Create, offer, issue and allot 5% Non-Cumulative 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 ( the Act)read with the Rules framed there under, 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 invitation to subscribe, issue and allot, 24,40,000 (Twenty Four Lakh Forty Thousand) 5% Non Cumulative Non Convertible Redeemable Preference Shares of Nominal Value of Rs. 10/- (Rupees Ten) each, at an issue price of Rs. 100/- (Rupees One Hundred) including premium of Rs. 90/- (Rupees Ninety) per share for an aggregate value of Rs. 24,40,00,000/- (Rupees Twenty Four Crore Forty Lakh) 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 5% Non-cumulative Non convertible Redeemable Preference Shares ("NCRPS") on a private placement basis, to Promoters' /Promoters' Group or such other person(s) 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 5% 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 alteration (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 : 09.11.2020**

**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 10 set out above and the details under Regulation 36 (3) of SEBI (LODR) Regulations, 2015 in respect of Directors proposed to be appointed/ re-appointed at the Annual General Meeting, is annexed hereto 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. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. 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.
5. 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.
6. Electronic copy of the Annual Report for the financial year 2019-20 is being sent to all the members whose Email IDs are registered with the Company / Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered the Email address, physical copy of the Annual Report is being sent separately
7. 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.
8. Members are requested to notify change in address, if any, to the company at its registered Office quoting their folio number.
9. 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.
10. The company's Registrar and Share Transfer Agents 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.
11. 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 joined the MCA in its environmental friendly initiative. The company would 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 the Depository Participants (D.P.) with whom they are having Demat Account 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.
12. 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.

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

- (i) The voting period begins on 23<sup>rd</sup> Day of December 2020 at 09.00 a.m. (IST) and ends on 25<sup>th</sup> Day of December 2020 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 (record date) 19<sup>th</sup> December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR
- Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-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 Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN <201126015> for **Sportking India Limited** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take 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". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to logon to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address ([cs@sportking.co.in](mailto:cs@sportking.co.in)), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022- 23058543) or Mr. Rakesh Dalvi (022-23058542).
- (xxii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
- (xxiii) The Company has appointed Mr. Sunny Kakkar, Practicing Company Secretary (M. No. FCS 10111 & C.P. No. 12712) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiv) 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"/ "Polling Paper" for all those member who are present at the AGM but have not cast their votes by availing the remote e- voting facility.

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

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

**Place: Ludhiana  
Date : 09.11.2020**

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

**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, Ludhiana to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 at a fixed remuneration of Rs. 1,10,000/- plus applicable taxes in their meeting held on 21<sup>st</sup> August, 2020.

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**

The Board of Directors of the Company in their meeting held on 17<sup>th</sup> October 2020 had appointed Mrs. Harpreet Kaur Kang as an Additional Director in the capacity of Independent Director (Non Executive) of the Company pursuant to section 161(1) of the Companies Act, 2013 and Articles of Association of the Company for a period of 5 years subject to the approval of shareholders. She will hold office upto the date of ensuing Annual General Meeting as per the section 161 of the Companies Act, 2013. The Company has received requisite notice in writing from a Member proposing Mrs. Harpreet Kaur Kang as a candidate for the office of Independent Director of the Company for a term of consecutive five years starting from 17<sup>th</sup> October, 2020.

The Company has also received consent from Mrs. Harpreet Kaur Kang to act as independent director and declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Harpreet Kaur Kang is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company

Brief resume of Mrs. Harpreet Kaur Kang and nature of her expertise in specific functional areas and names of companies in which she hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors is provided in the statement giving details under Regulation 36 (3) of the Listing Regulation in respect of the Directors proposed to be appointed/ re-appointed, annexed to this notice.

Copy of the draft letter for appointment of Mrs. Harpreet Kaur Kang as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Mrs. Harpreet Kaur Kang and their relatives to the extent of their shareholding's interest, if any, in the company are interested/deemed to be interested in the resolution.

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 this resolutions.

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

**Item No. 5**

Mr. Prashant Kochhar (DIN: 07298730) was appointed/regularized as an independent director of the company by the Board of Directors/ Shareholders of the Company w.e.f 30.09.2015 for a first term of five consecutive year i.e upto 30<sup>th</sup> September 2020.

As per the provisions of Section 149 of the Companies Act,2013 and the Rules made thereunder, an Independent Director can be re-appointed for a second term of consecutive five years by obtaining approval of the shareholders by a way of special resolution.

Mr. Prashant Kochhar has offered himself for re-appointment as an Independent Director of the Company for second term of consecutive five years. The company has also received declaration from Mr. Prashant Kochhar that he is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as director and meet with the criteria of independence as prescribed both under section 149(6) read with Schedule IV of the Companies Act, 2013 and Regulation 16(B) of SEBI (LODR) Regulations, 2015.

In the opinion of board Mr. Prashant Kochhar fulfill the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Based on the recommendations given by the Nomination and Remuneration Committee accepted by the Board of Director in its meeting held on 21<sup>st</sup> August, 2020 it is proposed to re-appoint Mr. Prashant Kochhar (DIN: 07298730) as an Independent Director for a second term of consecutive five years w.e.f. 01st October, 2020 to 30<sup>th</sup> September, 2025 and he shall not be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013.

Brief resume of Mr. Prashant Kochhar and nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors is provided in the statement giving details under Regulation 36 (3) of the Listing Regulation with Stock Exchanges in respect of the Directors proposed to be appointed/ re-appointed, annexed to this notice.

Copy of the draft letter for appointment of Mr. Prashant Kochhar as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr. Prashant Kochhar and their relatives to the extent of their shareholding's interest, if any, in the company are interested/deemed to be interested in the resolution.

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 this resolution.

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

**Item No. 6**

Presently, the Registered Office of the Company is situated in the National Capital Territory (NCT) of Delhi and the Corporate Office overseeing the day to day operations of the Company is situated in the State of Punjab at Ludhiana. All the Business/ Manufacturing operations, Financing Banks, Income Tax/ Goods & Services Tax/ Other Statutory Jurisdictions relating to the Company falls in the State of Punjab.

So, to have better administrative and business control and to enable the Company to rationalize and streamline its business operations and secretarial work, the Board of Directors of the Company in its meeting held on 09.11.2020 has recommended the shifting of the Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Punjab.

Pursuant to the provisions of Section 12, 13, 110 and all other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), shifting of the Registered Office from one State to another state and alteration of Clause II of the Memorandum of Association (the "MOA") of the Company requires the approval of the members of the Company by means of a Special Resolution subject to approval of the Central Government (power delegated to Regional Director).

The shifting of Registered Office from the National Capital Territory (NCT) of Delhi to the State of Punjab is in the best interest of the Company, shareholders and all concerned parties and will not be detrimental to the interest of members of the public, shareholders, creditors or employees, in any manner whatsoever.

In light of the above facts, the approval of the members is sought for shifting of the Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Punjab and consequently for altering Clause II of the Memorandum of Association (MOA).

Copy of the existing MOA, copy of MOA indicating the proposed amendments and other allied documents, if any, being referred in this resolution would be available for inspection by the members, free of cost, at the Registered Office of the Company during 11.00 a.m to 1.00 p.m. on all working days (Monday to Saturday),

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any.

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

**Item No. 7**

Mr. Raj Kumar Avasthi was re-appointed as Managing Director of the company by the members in the annual general meeting held on 09th September, 2017 for a period of 5 years to hold office upto 30th September, 2022. Pursuant to Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration payable to Mr. Raj Kumar Avasthi was approved for a period of three years w.e.f., 01st April, 2018 to 30th September, 2020. The approval of the Members pursuant to Section 197 of the Companies Act, 2013 (as amended from time to time) is now sought for the proposed remuneration payable to Mr. Raj Kumar Avasthi the Managing Director of the Company for the remaining period from 01st October, 2020 to 30th September, 2022.

Mr. Raj Kumar Avasthi - is founder of the Sportking Group and possesses vast experience and expertise in managing textile businesses including apparel/garment business and has provided dedicated and significant contribution to the overall growth of the Company.

In view of current Industry scenario and Market Situation, the Nomination and Remuneration Committee in their meeting held on 21<sup>st</sup> August, 2020 had recommended the payment of remuneration to Mr. Raj kumar Avasthi for the remaining period of two years Basic Salary of Rs. 10,00,000/- (Rupees Ten Lakh Only) Per Month with a yearly provision of additional salary/commission/perquisite of Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakh Only) payable in one or more tranches as the Board may decide from time to time, however subject to a ceiling of overall remuneration of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per year has been approved by Board of Directors in the their Meeting held on 21<sup>st</sup> August, 2020 subject to the approval of the shareholders.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel. Further, Pursuant to Regulation 17 (Listing Obligations and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting, if the annual remuneration payable to such Executive Director exceeds Rs.5 Crore or 2.5% of the net profits of the Company, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the Company. As the company is having more than one executive promoter directors and the remuneration to all the executive promoter directors may exceed the 5% of the net profits of the Company, special resolution is proposed for such remuneration.

The proposed special resolution being approved in respect of resolution set out at Item No. 7, of this Notice would also be in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Mr. Raj Kumar Avasthi and Mr. Munish Avasthi and their relatives are deemed to be interested in the resolution to the extent of his 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. 7 of the Notice for approval by the shareholders.

**Item No. 8**

Mr. Munish Avasthi was re-appointed as Managing Director by the members in the annual general meeting held on 09th September, 2017 for a period of 5 years to hold office upto 30th September, 2022. Pursuant to Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration payable to Mr. Munish Avasthi was approved for a period of three years w.e.f., 01st April, 2018 to 30th September, 2020. The approval of the Members pursuant to Section 197 of the Companies Act, 2013 as amended from time to time is now sought for the proposed remuneration payable to Mr. Munish Avasthi the Managing Director of the Company for the remaining period from 01st October, 2020 to 30th September, 2022.



Mr. Munish Avasthi - possesses vast experience and expertise in managing textile businesses and has provided dedicated and significant contribution to the overall growth of the Company.

In view of current Industry scenario and Market Situation, the Nomination and Remuneration Committee in their meeting held on 21<sup>st</sup> August, 2020 had recommended the payment of remuneration to Mr. Munish Avasthi for the remaining period of two years the Basic Salary of Rs. 10,00,000/- (Rupees Ten Lakh) Per Month with a provision of additional salary/commission/perquisite of Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakh Only) payable in one or more tranches as the Board may decide from time to time, however subject to a ceiling of overall remuneration of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per year which has been approved by Board of Directors in their Meeting held on 21<sup>st</sup> August, 2020 subject to the approval of the shareholders.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel. Further, Pursuant to Regulation 17 (Listing Obligations and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting, if the annual remuneration payable to such Executive Director exceeds Rs.5 Crore or 2.5% of the net profits of the Company, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the Company. As the company is having more than one executive promoter directors and the remuneration to all the executive promoter directors may exceed the 5% of the net profits of the Company, Special resolution is proposed for such remuneration.

The proposed special resolution being approved in respect of resolution set out at Item No. 8, of this Notice would also be in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and resolution stated above may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Mr. Munish Avasthi and Mr. Raj Kumar Avasthi and their relatives are deemed to be interested in the resolution to the extent of his 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. 8 of the Notice for approval by the shareholders.

#### **Item No. 9**

Mr. Naresh Kumar Jain was re-appointed as Whole time Director by the members in the annual general meeting held on 09th September, 2017 for a period of 5 years to hold office upto 30th September, 2022. Pursuant to Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration payable to Mr. Naresh Kumar Jain was approved for a period of three years w.e.f., 01st April, 2018 to 30th September, 2020. The approval of the Members pursuant to Section 197 of the Companies Act, 2013 as amended from time to time is now sought for the proposed remuneration payable to Mr. Naresh Kumar Jain as the Whole Time Director of the Company for the remaining period from 01st October, 2020 to 30th September, 2022.

Mr. Naresh Kumar Jain is a graduate and has enormous experience and exposure in managing textile and garment business. He is associated with the Sportking Group since inception and has made major contribution in the success of the group.

In view of current Industry scenario and Market Situation, the Nomination and Remuneration Committee in their meeting held on 21<sup>st</sup> August, 2020 had recommended the payment of remuneration of Mr. Naresh Kumar Jain for the remaining period of two years as Basic Salary of Rs. 1,15,000/- (Rupees One Lakh Fifteen Thousand Only) Per Month along with perquisites (in addition to Basic Salary) which has been approved by Board of Directors in their Meeting held on 21<sup>st</sup> August, 2020 subject to the approval of the shareholders.

In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act), read with Schedule V of the Act, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Managerial Personnel.

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.



Mr. Naresh Kumar Jain or his relatives are deemed to be interested in the resolution to the extent of his 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. 9 of the Notice for approval by the shareholders.

**The following additional information as required under Schedule V of the Companies Act, 2013 in respect of Item No 7 to 9 is given below:**

#### I. General Information:

##### Nature of Industry

Sportking India Limited is into textile Industry.

##### Date or expected date of commencement of commercial production:

The Company was incorporated on February 15, 1989 under the Companies Act, 1956. The Certificate for Commencement of Business was issued by the Registrar of Companies, Delhi & Haryana on June 15, 1990 and it started commercial production soon thereafter.

##### In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

#### Financial performance for the year ended 31.03.2020

Particulars	F.Y. 2019-20 (Rs in Lakhs)
Revenue from Operations (Net)	135505.11
Other Income	298.59
Profit before Depreciation, Interest and Tax (PBDIT)	13915.26
Interest and Financial expenses	5753.34
Profit before Depreciation and Tax (PBDT)	8161.92
Depreciation and Amortization	6333.66
Profit before Tax (PBT)	1828.26
Provision for Tax	
Current {Net of MAT Credit Tax of (Rs. -115.90)}	212.83
Prior Period Tax	(58.61)
Deferred Tax	438.27
Profit after Tax (PAT)	1235.77
Other Comprehensive Income (Net of Tax of Rs. 22.27 Lakhs)	(41.46)
Total Comprehensive Income for the period	1194.31

Foreign Investments or collaborators, if any. : Nil

#### II. INFORMATION ABOUT THE APPOINTEE

##### A. Mr. Raj Kumar Avasthi, Managing Director

##### Background Details

Mr. Raj Kumar Avasthi aged 74 years having rich experience in Designing & Manufacturing of Apparel/Textile Business from last 46 years. He is the Chairman cum Managing Director of the company since 1995. He has knowledge of latest textile technology and advancement in manufacturing operations as well as a great vision for future of textile industry.

##### Past Remuneration

The company has approved remuneration to Mr. Raj Kumar Avasthi, Chairman cum Managing Director on a salary in the scale of Rs. 20,00,000/- per month with annual ceiling of remunerations of Rs. 2,40,00,000/-

Recognition or awards : Nil

**Job Profile and his suitability**

Mr. Raj Kumar Avasthi is the Chairman cum Managing Director of the Company. He looks after the overall operations of the Company. He has enriched experience of more than 46 years in Textile Industry. The Company has made tremendous growth under his leadership. Mr. Raj Kumar Avasthi is instrumental in the development of the Company and has provided dedicated and significant contribution to the overall growth of the Company

**Remuneration Proposed**

Basic Salary of Rs. 10,00,000/- (Rupees Ten Lakh) Per Month with a yearly provision of additional salary/commission/perquisite of Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakh Only) payable in one or more tranches as the Board may decide from time to time, however subject to a ceiling of overall remuneration of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per year

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).**

Taking into consideration the size of the Company, the profile of Mr. Raj Kumar Avasthi, Chairman cum Managing Director of the Company, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Except for receiving remuneration from the company as Chairman-cum- Managing Director, Mr. Raj Kumar Avasthi had no other pecuniary relationship with the company. Mr. Munish Avasthi, Managing Director is his relative.

**B. Mr. Munish Avasthi, Managing Director****Background Details**

Mr. Munish Avasthi aged 47 years having rich experience in Spinning/Textile Industry from last 27 years. He is the Managing Director of the company since 1999. He has knowledge of latest technology and advancement in manufacturing operations as well as a great vision for future of textile industry.

**Past Remuneration**

The company has approved remuneration to Mr. Munish Avasthi, Managing Director on a salary in the scale of Rs. 20,00,000/- per month with annual ceiling of remunerations of Rs. 2,40,00,000/- .

**Recognition or awards:**

He has been awarded First Generation Entrepreneur Award for Textile Mills by the Cotton Association of India on 09.04.2018.

**Job Profile and his suitability**

Subject to the supervision and control of the Board of Directors Mr. Munish Avasthi is in overall in-charge of operational affairs of the Company. The Company has made tremendous growth under his leadership. He is also looking after the finance, sales and purchase. He is a dynamic new generation industrialist. As a Managing Director he has played a key role in making the Company one of the most efficient yarn manufacturers in the country.

**Remuneration Proposed**

Basic Salary of Rs. 10,00,000/- (Rupees Ten Lakh) Per Month with a yearly provision of additional salary/commission/perquisite of Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakh Only) payable in one or more tranches as the Board may decide from time to time, however subject to a ceiling of overall remuneration of Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per year.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).**

Taking into consideration the size of the Company, the profile of Mr. Munish Avasthi, Managing Director of the Company, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Except for receiving remuneration from the company as Managing Director, Mr. Munish Avasthi had no other pecuniary relationship with the company. Mr. Raj Kumar Avasthi, Managing Director is his relative.

**C. Mr. Naresh Kumar Jain, Whole Time Director****Background Details**

Mr. Naresh Kumar Jain is a graduate and has enormous experience and exposure in managing textile and garment business. He is associated with the Sportking Group since inception and has made major contribution in the success of the group

**Past Remuneration**

The company has approved remuneration to Mr. Naresh Kumar Jain, Whole Time Director on a salary in the scale of Basic Salary of Rs. 1,15,000/- per month along with perquisite (in addition to Basic Salary).

**Recognition or awards:**

Nil

**Job Profile and his suitability**

Mr. Naresh Kumar Jain is looking after the day to day affairs of the Company. He is also looking after the Commercial and Secretarial work of the Company..

**Remuneration Proposed**

Salary - Salary will be in the scale of Rs 1,15,000/- per month along with perquisite (in addition to Basic Salary).

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).**

Taking into consideration the size of the Company, the profile of Mr. Naresh Kumar Jain, Whole Time Director of the Company, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Except for receiving remuneration from the company as Whole Time Director, Mr. Naresh Kumar Jain had no other pecuniary relationship with the company.

**III. OTHER INFORMATION:****Reasons of loss or inadequate profits**

The company had adequate net profits during the last many financial years. The recent outbreak of COVID-19 pandemic globally including India is resulting in an economic slowdown all over. The Indian economy has been impacted by this pandemic with contraction in industrial and services industries which may affect the profitability of the company in future. So an enabling provision is made for payment of minimum remuneration in case of loss or inadequate profits.

**Steps taken or proposed to be taken for improvement**

Optimal utilization of the resources available with the Company, by using technologically advanced machines to achieve optimum production mix. The Company is planning to expand its presence in those domains where small and mid-size companies are operating but cannot provide superior quality products and thus it will help the Company to increase its order book size and in turn help the Company to achieve optimum utilization of its installed capacity as well as optimum product mix. Concentrating on the Export Market, the Company is actively touching base with new clients in international market, whereby the untapped territories can be explored leading to increase in overall performance of the Company.

**Expected increase in productivity and profits in measurable terms**

With the above mentioned steps taken by the Company, the Company will be able to improve its sales and profit.

**IV. DISCLOSURES****Remuneration Package**

As described in the resolution stated above

**Item No. 10**

The Company had issued 24,39,000, 5% Non Cumulative Redeemable Preference Shares of Rs.10/- at a premium of Rs. 25/- per shares amounting to Rs.8.44 crores on 31<sup>st</sup> March, 2001 to promoters which is redeemable within a period of 20 years. So the said preference shares are due for redemption by 31<sup>st</sup> March, 2021. In terms of Section 55 of the Companies Act, 2013, no preference shares shall be redeemed except out of the profits of the Company which would otherwise be available for distribution of dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption. The redemption of existing Redeemable Preference Shares out of fresh issue of Redeemable Preference Shares would enable the Company to augment financial resources and simultaneously maintain its financial ratio(s) at reasonable levels in terms of requirements of Financing Banks and also without any change in the existing capital structure.

The Board of Directors at its meeting held on 09<sup>th</sup> November, 2020 had approved the offer and issuance of 24,40,000 (Twenty Four Lakh Forty Thousand) 5% Non Cumulative Non Convertible Redeemable Preference Shares of Nominal Value of Rs. 10/- (Rupees Ten) each, at an issue price of Rs. 100/- (Rupees Hundred) per share including premium of Rs. 90/- (Rupees Ninety) per share for an aggregate value of Rs. 24,40,00,000/- (Rupees Twenty Four Crore Forty Lakh only) to Promoters' /Promoters' Group / other person(s) in one or more tranche(s) on private Placement basis as mentioned in the resolution.

As per Section 42 and Section 55 of the Companies Act, 2013 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ('Rules'), 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.

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 24,40,000 (Twenty Four Lakh Forty Thousand) 5%, Non-convertible Non-cumulative, Redeemable, Preference Shares (NCRPS) of Rs. 10/- (Rupees Ten only) each, at an issue price of Rs. 100/- (Rupees Hundred only) per share including premium of Rs. 90/- (Rupees Ninety Only) per share for an aggregate value of Rs. 24,40,00,000/- (Rupees Twenty Four Crore Forty Lakh only) on a Private Placement basis to Promoters/Promoter Group/ other person(s) on the terms and conditions as set hereunder:

Number of Preference Shares	24,40,000
Nominal Value	Rs. 10/ per share
Size of Issue	Rs. 24,40,00,000 /- (Rupees Twenty Four Crore Forty Lakh only)
Nature of Preference Shares	5% Non-cumulative Non-convertible Non-participating, Redeemable Preference Shares
Object of the Issue	Redemption of existing Preference Shares out of fresh issue of Preference Shares. This would enable the company to augment financial resources and simultaneously maintain its financial ratio(s) at reasonable levels in terms of requirements of Financing Banks and also without any change in the existing capital structure.
Manner of Issue of Shares	Offer on private placement basis to the Promoters/ Promoters Group/ other person(s) in one or more tranches as may be decided by the Board of Directors.
Price at which such shares are proposed to be issued	Issue price of Rs. 100/- (Rupees Hundred only) per share including premium of Rs. 90/- (Rupees Ninety Only) per share
Basis on which the price has been arrived at	Valuation Report of CA Rochak Batta (Registered Valuer)
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 General Meetings and vote on the resolutions directly affecting their interest and where the dividend in respect thereof 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 company. In 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

	preference 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 at premium	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 Shareholding Pattern as on March 31, 2020 is as follows:**

Category	No. of Equity Shares Held	Percentage (%)	No. of Preference Shares Held	Percentage (%)
<b>Promoters and Promoters Group</b>				
Individuals/HUF	729400	20.48	5529000*	55.20
Bodies Corporate	1734050	48.70	4487200*	44.80
Others	-	-	-	-
Sub Total (A)	2463450	69.18	10016200	100.00
<b>Public and Others</b>				
Institutions	-	-	-	-
Non-Institutions	1097550	30.82	-	-
Sub Total (B)	1097550	30.82	-	-
<b>GRAND TOTAL</b>	<b>3561000</b>	<b>100.00</b>	<b>10016200</b>	<b>100.00</b>

\*2439000 issued in the year 2000-01 are due for redemption in F.Y. 2020-21 which will be redeemed out of fresh issue of Redeemable Shares as proposed.

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

Except the Promoter Directors and their relatives and / or other promoter entities (to the extent of their directorship / shareholding interest in the Company), 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. 10 of the Notice for approval by the shareholders.

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

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

**Place: Ludhiana  
Date : 09.11.2020**

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

Name of the Director	Mr. Munish Avasthi	Mrs Harpreet Kaur Kang	Mr. Prashant Kochhar
DIN	00442425	03049487	07298730
Age	47 Years	47 Years	46 Years
Date of Appointment	16.11.1992	17.10.2020	30.09.2015
Qualification	Graduate	Graduate in Advance Business Program in International Business and International Marketing from Harvard University, USA and Masters in Journalism from College of Humanities, Punjab Agricultural University, Ludhiana	Chartered Accountant
Nature of his expertise in specific functional areas	An Industrialist, having rich experience in Spinning/Textile Business.	Expertise in subjects: International Business, Consumer Behavior and Business Communication	Having Rich Experience in the Field of Finance and Accountancy.
Names of the listed entities in which the person also holds the Directorship	NA	Vardhman Textiles Limited	NA
The membership of the committees of the board of Listed Entities	Nil	Nil	Nil
Disclosure of Relationship between Directors	Son of Mr. Raj Kumar Avasthi(Managing Director)	NA	NA
Shareholding of Non-Executive Director	NA	NA	NA

## DIRECTORS' REPORT

## Dear Members

The Directors of your company are pleased to present their 31<sup>st</sup> Annual Report on the affairs of the company together with Audited Accounts of the Company for the year ended 31st March, 2020.

## 1. FINANCIAL RESULTS

The financial statements of the Company for the year ended 31st March, 2020, had been prepared in accordance with Indian Accounting Standards (Ind AS). The financial performance of your Company for financial year(s) 2019-20 and 2018-19 are as under:

Particulars	(Rupees in Lakhs)	
	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations (Net)	135505.11	116046.64
Other Income	298.59	203.81
Earning before Depreciation, Interest, Tax and Amortization (EBIDTA)	13915.26	13094.68
Interest and Financial expenses	5753.34	3947.46
Profit before Depreciation Tax (PBDTA)	8161.92	9147.22
Depreciation and Amortization	6333.66	5365.42
Profit before Tax (PBT)	1828.26	3781.80
Provision for Tax		
Current Tax (Net of MAT Tax Credit of Rs. 115.90 Lakhs in Current Year and Nil in Previous Year)	212.83	908.40
Prior Period Tax	(58.61)	19.56
Deferred Tax	438.27	451.81
Profit after Tax (PAT)	1235.77	2402.03
Other Comprehensive Income (Net of Tax of Rs. 22.27 Lakhs in Current Year and Rs. 11.19 Lakhs in previous year)	(41.46)	20.82
Total Comprehensive Income for the period	1194.31	2422.85
Earnings Per Equity Share (In Rs.)		
Basic	34.70	67.45
Diluted	34.70	67.45

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

## Economic Outlook

The global economy, which was facing headwinds due to structural barriers in international trade from last couple of years mainly due to USA-China trade tensions, got severe jolt of COVID-19 led crisis. This led to drastic reduction in all kind of economic activities of consumption and investment leading to damping of consumers', investors' and industry's sentiments. Even governments of different countries are getting worried to build full gamut of economic and social crisis and finds ways to come out of it.

The global economy witnessed slow growth of 2.9% in CY 2019 compared to 3.6% in the CY 2018 much worse than financial crisis of 2008. The Global economy is projected to contract by 4.9% in CY 2020 primarily due to worldwide outbreak of Covid-19, weak external demand, tight monetary conditions and domestic policy uncertainty in developing countries. China experienced its slowest growth amidst weak domestic demand and trade tensions with the US.

There is a high degree of uncertainty on the recovery as economies world over face persistent lockdown and social distancing which has affected the supply potential and productivity. However, bright spots are visible as economies have gradually reopened. In a baseline scenario which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.2 percent in CY 2021 as economic activity normalizes, helped by policy support.

Due to severe disruption of economic activities caused by COVID-19, both through demand and supply shocks, Indian economy grew by 4.2% in FY 2019-20 against 6.1% in FY 2018-19. Government of India announced a country wide lockdown from 23<sup>rd</sup> March 2020 which extended upto June end with gradual phase out. Manufacturing and construction sectors went into negative territory. Private consumption and investments also saw a sharp decline in Q4 FY 20. However, to ease the liquidity and reduce the financial stress, RBI had issued COVID 19 Regulatory Package advising banks for

grant of Moratorium on the term loan installment/ interest and defer recovery of the Interest on working capital credit facilities for the period March, 2020 to August, 2020.

As per RBI, Indian economy also is likely to witness a contraction in FY 2020-21. However, low oil prices will help in improving our external balance position despite an expected slump in exports due to falling world demand. As per the Credit Rating Agencies India GDP is to be contracted by 9-11% in FY 2020-21.

### **Textile Outlook**

The global textile and apparel industry is dynamic and ever evolving. It has undergone enormous changes over the years, witnessing multiple shifts in consumption and production patterns, as also significant changes in geographies and manufacturing, given its dependence on the availability of cheap labour.

As a consequence of slow down, like other sectors, the overall textile consumption in world shrunk as reflected from the declining textiles and clothing imports in USA and other leading importing markets like EU and Japan also. Though, it is difficult to estimate likely drop in T&C Trade volume but recent data of USA T&C import trends shows decline of more than 18% of T&C imports from world (during Jan-April 2020). Import from China declined by 41% and imports from India declined by 8% during same period. Decline in US T&C imports will lead to overall disruption in Global supply chain.

The global textile market is expected to decline from \$ 673.9 billion in 2019 to \$ 655.2 billion in 2020 at a compounded annual de-growth rate (CAGR) of 2.8% mainly due to economic slowdown across countries owing to the COVID-19 outbreak. The market is expected to recover and grow at a CAGR of 7% from 2021 and reach \$795.4 billion in 2023. Rising disposable income, population, and rapid urbanization in the emerging economies such as India, China, and Mexico are believed to be the key drivers of this market growth.

India is among the world's largest producers of Textiles and Apparel. The domestic textiles and apparel industry contributes 2.3% to India's GDP and accounts for 13% of industrial production, and 12% of the country's export earnings. The textiles and apparel industry in India is the second-largest employer in the country providing employment to 45 million people and contributing 10% to the country's manufacturing, owing to its labour intensive nature. The industry is vertically integrated with almost all sub-sectors and is thus integral to the economy.

India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam. However, one factor affecting India's textile trade is currency fluctuation that remains a challenge for the industry. Exports have been a core feature of India's textile sector. Indian textiles and apparel exports were estimated at \$35.5 billion in 2019 and is expected to grow at a CAGR of 11% over the next decade to reach \$100 billion by 2029. Exports of both man-made textile and readymade garments have seen a major boost.

The Indian textile and apparel industry has been adversely impacted in the short to mid-term due to pandemic, the accompanying lockdowns and lower consumer spends. Growth in the textile sector largely depends on consumer spending and multiple factors are affecting consumer spending like actual and perceived economic conditions, disposable income and employment. The textile sector is reeling under liquidity, cost pressure, unprecedented damage caused by pandemic and the expected contraction in global output in FY 2020-21 weigh heavily on the growth outlook.

Currently the biggest threat is COVID 19 and its impact. It is expected that overall textile business will be severely affected which would result in various job losses across the value chain. First half of FY 21 is expected to be very tough and the second half is expected to give some relief to the business and the society in general if all the countries especially India is able to control the COVID 19 Pandemic. Going ahead, there could be a positive side for textile business as USA and EU customers who will be looking for alternative for China, may move to other countries such as Vietnam, Bangladesh, India, etc.

Due to slowdown in demand with COVID 19 it was expected that the export demand to be weak until H1 FY21, till the economic recovery of the United States and Europe, which are the major hubs for Indian products. Furthermore, the domestic demand as a discretionary product is expected to pick up gradually in Q3FY21, but will be lower than a normal year demand.

It is expected that domestic demand could revive in third quarter of FY21 with the onset of festive season and reopening of fully retail spaces. Export demand would fairly depend on recoup of major economies. The World Bank projected that the Indian economy is expected to bounce back in 2021. It is difficult period for industry, we expect that Government will support the textile and apparel industry in the form of favorable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the industry. Presently Industry is surrounded by new and unprecedented challenges and let's hopes the team work of Private and Government initiatives will convert these



challenges into Opportunities. Your Company remains focused on navigating steadily and safely through the turbulent short to medium term business environment, while being prepared to ride the eventual post-COVID recovery.

Cotton prices continue their downward trend amid a declining demand and the spread of corona virus, leading to lower consumption and thus disruptions in the global supply chain. They fell by 2.3% MOM and 11.3% YOY in March 2020, on account of reduced off take by mill owners which are facing the heat of production disruption and excess inventory amid the spread of corona virus. However, Cotton Corporation of India Ltd continues to hold up the stock (30% of total arrivals) and may support the current prices over the short term. Lately the demand of cotton/cotton blended yarn had improved with a good order book not only from the foreign countries but also from the domestic market with pent-up demand/increased demand of casual/thermal wear products due to which the prices of cotton fibre had almost reached to Pre-Covid levels.

It is very early to assess the future impact of COVID-19 with the threat of new wave of Corona Cases in the whole world. Company is closely monitoring the emerging / evolving challenges of COVID-19 and resultant restrictions imposed by the regulatory authorities. It is neither possible to foresee the duration for which this pandemic will last, nor predict its course nor when the effective vaccine for treatment of Corona will be available etc. Nevertheless, the Company is making every effort to ensure that the after effects are dealt with.

The Company is dealing in the Yarn Segment only and Company is persistently working hard to face such challenges and is taking necessary steps to strengthen its export/ indigenous market operations with more customer base to deal with overall reduced demand. Further the Company has adequate liquidity and financial resources to meet its operational requirements, financial commitments/ service of debt obligations and statutory liabilities as per indications available as on date.

### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios. The detail are as under:-

Ratio	Unit	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	Changes (%)	Remarks
Debtor Turnover Ratio (Excluding Bill Discounting)	Days	27	34	20.58	Improvement
Inventory Turnover Ratio	Days	57	97	41.23	Improvement
Interest Coverage Ratio	Times	2.42	3.32	27.10	Due to increased level of bank borrowings for expansion capacity.
Current Ratio	Times	1.12	1.03	8.73	Improvement
Debt Equity Ratio	Times	1.12	1.24	9.68	Improvement
Operating Profit Margin	%	1.12	3.08	63.63	Decrease in the Profitability with higher interest/ depreciation cost
Net Profit Margin	%	1.23	2.07	56.03	
Return on Net Worth	%	4.73	9.99	52.65	

### Ratios where there has been a significant change as compared to previous year

Due to increased level of bank borrowings and higher rate of interest/charges on credit facilities the cost of Interest increased from Rs. 3947.46 Lakhs in FY 2018-19 to Rs. 5753.34 Lakhs in FY 2019-20 due to which Interest Coverage Ratio decreased from 3.32 to 2.42. Further due to re-statement of PCFC/ Fx USD liabilities/assets at closing rate which depreciated by 6% in Q4 and more decreased in prices of finished goods vs decrease in price of raw material in H1 of FY 2019-20 the overall profitability of the company decreased as compared to previous year due to which there is significant change in the Operating Profit Margin, Net Profit Margin and Return on Net Worth.

**FINANCIAL ANALYSIS****Production/Revenue**

During the year under review, the company achieved production of 57488 M.T. of Cotton/Synthetic Yarn against previous year production of 46862 M.T. showing an increase of about 22.68% due to full year operational impact of the fresh capacity of 68256 Spindles commissioned in March, 2019. The company achieved a gross turnover/operating income of Rs. 135505.11 Lakhs (including export incentives of Rs. 1113.27 Lakhs) as compared to Rs. 116046.64 Lakhs (including export incentives of Rs. 783.56 Lakhs) in the previous year showing a growth of 16.76%. The value of the exports increased to Rs. 64038.25 Lakhs from Rs 55757.47 Lakhs showing a growth of 14.85%. The production/ revenue were effected partly due to complete lockdown / shutdown of manufacturing operations under Covid-19 from 23<sup>rd</sup> March, 2020 to 31<sup>st</sup> March, 2020.

**Profitability**

The company achieved Earning before Depreciation, Interest, Tax and Amortization (EBIDTA) of Rs.13915.26 Lakhs with EBIDTA/Sale ratio of 10.26% during FY 2019-20 as compared to Rs. 13094.68 Lakhs in the previous FY 2018-19 with EBIDTA/Sale ratio of 11.28% which has declined in FY 2019-20 due to decline in prices of Finished Goods in H1 of FY 2019-20. The interest cost increased to Rs. 5753.34 Lakhs as compared to Rs. 3947.46 Lakhs in the previous year due to full year impact of Interest on new term loans availed for the expansion project and higher rate of interest/charges on credit facilities. The company earned gross cash profit (before tax) of Rs. 8161.92 Lakhs against Rs. 9147.22 Lakhs in the previous year and cash profit after current taxes of Rs. 8007.70 Lakhs against Rs. 8219.26 Lakhs in the previous year which is almost flat as deferred tax provision is a non cash item. The Company earned profit before tax of Rs. 1828.26 Lakhs as compared to previous year Rs. 3781.80 Lakhs which declined due to higher interest/ depreciation. After providing for current tax of Rs. 212.83 Lakhs (Previous year Rs. 908.40 Lakhs), Prior Period Tax of (Rs. 58.61 Lakhs) (Previous Year Rs. 19.56 Lakhs) Deferred tax liabilities of Rs. 438.27 Lakhs (Previous Year Rs. 451.81 Lakhs) there was a net profit after tax of Rs. 1235.77 Lakhs against previous year net profit after tax of Rs. 2402.03 Lakhs.

Total Other Comprehensive Income for current financial year is (Rs. 41.46 Lakhs) as compared to Rs. 20.82 Lakhs in previous year and the net profit after tax and other comprehensive income was Rs. 1194.31 Lakhs as compared to previous year net profit after tax and other comprehensive income of Rs. 2422.85 Lakhs.

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

The net Block of Property, Plant and Equipment/ Capital work in Progress as at 31st March, 2020 was Rs. 46643.27 Lakhs as compared to Rs. 50397.52 Lakhs in the previous year

**Current Assets and Current Liabilities**

The current assets as on 31st March, 2020 were Rs. 48296.04 Lakhs as against Rs. 58702.09 Lakhs in the previous year. Inventory level was at Rs. 21131.75 Lakhs as compared to the previous year level of Rs. 30965.13 Lakhs. Trade Receivables level was at Rs. 17734.78 Lakhs (including Bill discounted/Negotiated of Rs. 7876.11 Lakhs) as compared to the previous year level of Rs. 19389.43 Lakhs (including bill discounted/Negotiated of Rs. 8617.51 Lakhs). The current liabilities as on 31st March 2020 were Rs. 43132.54 Lakhs as against Rs. 69004.96 Lakhs in the previous year. The Current Liabilities decreased due to reduction of the Trade Payable from Rs. 17087.17 Lakhs to Rs. 7584.21 Lakhs as amount of Rs. 12100.94 Lakhs of Capex Usance Letter of Credit /Acceptance Payable (Part of Term Loan) of New Machinery installed at Bathinda Unit which was shown in the other financial liabilities in last Financial year now part of Long Term borrowings in current financial year.

**LIQUIDITY & CAPITAL RESOURCES**

The position of liquidity and capital resources is given below:

Particulars	(Rupees in Lakhs)	
	FY 2019-20	FY 2018-19
<b>Cash &amp; Cash Equivalent</b>		
Beginning of the year	67.93	80.89
End of the year	158.93	67.93
<b>Net Cash provided/ (used) by:</b>		
Operating Activities	14774.25	9719.61
Investing Activities	-14186.50	-10569.44
Financial Activities	-496.75	836.87

The company is utilizing cash accruals for meeting term loans repayment commitments etc.

**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 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.

**2. DIVIDEND**

No dividend was declared by the company for FY 2019-20. 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.

**3. SHARE CAPITAL**

The paid up Equity Share Capital as at 31st March, 2020 stood at Rs. 346.38 Lakhs (Rs. 356.10 Lakhs minus Calls in Arrears of Rs. 9.72 Lakhs) divided into 3561000 Equity Shares of the face value of Rs. 10/- each while the paid up Redeemable Preference Shares Capital as at 31st March, 2020 stood at Rs. 1001.62 Lakhs divided into 10016200 Preference Shares face value of Rs. 10/- each.

During the year under review, the Company has not issued any equity shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2020 none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

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

**5. 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.

**6. 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.

**7. BUSINESS RISK MANAGEMENT**

The Board of Directors 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.

**8. RELATED PARTY TRANSACTIONS**

All contracts/arrangements/transactions entered by the Company with related parties during the financial year were in the ordinary course of business and on an arm's length basis. Omnibus Approval was obtained on yearly basis in respect of transaction which is repetitive in nature. All the Related Party transactions are placed before the Audit Committee and the Board for review and approval on quarterly basis.

During the year, under consideration 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. Suitable disclosure as required by the Accounting Standard (Ind-AS 24) has been made in the notes to the Financial Statements

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the [www.sportking.co.in](http://www.sportking.co.in).

#### 9. 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.

#### 10. DIRECTORS

In accordance with the provision of Section 152 of the Companies Act, 2013, Mr. Munish Avasthi (DIN: 00442425), Managing Director of the company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

Mr. Sunil Puri (DIN: 00425213) and Dr (Mrs.) Harbhajan Kaur Bal (DIN: 00008576) Non- Executive Independent Directors of the Company, had ceased/ retired from the closing hours of 30.09.2020 after the completion of their tenure as per the provisions of Companies Act 2013. The board places on record their gratitude and appreciation to Mr. Sunil Puri and Dr. (Mrs.) Harbhajan Kaur Bal for their contributions made during tenure.

Mr. Prashant Kochhar (DIN: 07298730), was appointed as Independent Director of the company on 30.09.2015 for a first term of five years upto 30.09.2020. He being eligible offered himself for re-appointment as an independent director of the Company for a second term of 5 years. Further on recommendation of Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 21.08.2020, reappointed Mr. Prashant Kochhar (DIN: 07298730), as Independent Director for a second term of five years from 01.10.2020 subject to the approval of the members by a special resolution.

Further the Board of Directors in their meeting held on 17.10.2020 appointed Mrs. Harpreet Kaur Kang (DIN: 03049487) as an Non Executive Independent Director (Additional) of the Company for a period of 5(five) years who holds office upto conclusion of forthcoming Annual general Meeting as per section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing along with deposit from a member proposing her candidature for the office of Director. The Board recommends to the shareholder of the Company for appointment of Mrs. Harpreet Kaur Kang (DIN: 03049487) as a Non Executive Independent Director for a period of 5(five) years w.e.f 17.10.2020.

The Independent Directors have given declarations that he/she meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further the Ministry of Corporate Affairs vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA.

#### KEY MANAGERIAL PERSONNEL

The following are the Key managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013 read with rule 3 and 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Name	Designation
1.	Mr. Munish Avasthi	Managing Director
2.	Mr. Parveen K Gupta	Chief Financial Officer
3.	Mr. Lovlesh verma	Company Secretary

#### AUDIT COMMITTEE

The Company had an Audit Committee of the Board of Directors, the members of which were Mr. Prashant Kochhar, Dr (Mrs) Harbhajan Kaur Bal and Mr. Sunil Puri. Mr. Prashant Kochhar was the Chairman of the committee. During FY 2020-21, Mr. Sunil Puri and Dr. (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director/ Audit Committee Members of the Company on 30.09.2020 after the completion of their tenure.

Further the Board of Directors in their meeting held on 17.10.2020 had reconstituted the Audit Committee which is as under:

Sr. No	Name of the Director	Designation	Category
1.	Mr. Prashant Kochhar	Chairman	Non-Executive Independent Director
2.	Dr. Sandeep Kapur	Member	Non-Executive Independent Director
3.	Mrs. Harpreet Kaur Kang	Member	Non-Executive Independent Director
4.	Mr. Naresh kumar Jain	Member	Executive Non Promoter Director

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

#### BOARD EVALUATION

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

#### NOMINATION AND REMUNERATION POLICY

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

#### WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed.
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reason able 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 31<sup>st</sup> March, 2020.
- 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.

### 11. AUDITORS AND THEIR REPORT

#### STATUTORY AUDITORS

The Statutory Auditors of the Company had submitted Auditors' Report on the accounts of the Company for the financial year ended 31st March, 2020. 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 Sunny Kakkar and 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 2020-21. 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 2020-21 is placed before the members at Annual General Meeting.

**12. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2019-20 has been uploaded on Company's website at [www.sportking.co.in](http://www.sportking.co.in).

**13. LISTING OF SECURITIES**

The fully paid up 3236800 Equity Shares (face Value of Rs. 10/- each) of company are listed on Bombay Stock Exchange (BSE) Limited for trading as on 31.03.2020. The Company has also paid the listing fees for financial year 2020-21 to BSE.

**14. 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.

**15. PUBLIC DEPOSITS:**

The Company has not raised any deposits from the public except the interest free unsecured loan from a Promoter Director of the Company. The detail of which are as under:

Name of the Promoter Director	Date of Receipt of Loan	Amount of Loan
Mr. Munish Avasthi	23.12.2010	Rs. 100.00 Lakhs

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.

**16. 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-C" of this report.

**17. 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 D" of this report.

**18. 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.

**19. 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 Practicing Company Secretary regarding compliance with the requirements of Corporate Governance as stipulated in regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**20. 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  
For Sportking India Limited**

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

**Place: Ludhiana  
Date : 09.11.2020**

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

**ANNEXURE A TO DIRECTOR'S REPORT  
CSR ACTIVITIES**

**For Financial Year Ended 31st March, 2020**

**(Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and its amendment)**

- 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.**
  - a. 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.
  - b. To recommend the amount of expenditure to be incurred on the CSR activities.
  - c. To monitor the implementation of the CSR policy of the company from time to time.

The detailed policy of the company on corporate social responsibility is available at company website at [http://sportking.co.in/admin/uploaded\\_code\\_policy/CSR\\_Policy.pdf](http://sportking.co.in/admin/uploaded_code_policy/CSR_Policy.pdf)

**2. The Composition of the CSR Committee.**

Name	Designation	Category
Mr. Munish Avasthi	Chairman	Promoter Director
Mr. Raj Kumar Avasthi	Member	Promoter Director
Dr. (Mrs.) Harbhajan Kaur Bal*	Member	Independent Director

\* Dr. (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020.

Further the Board of Directors in their meeting held on 17.10.2020 had reconstituted the Committee which is as under:

Sr. No	Name of the Director	Designation	Category
1.	Mr. Munish Avasthi	Chairman	Promoter Director
2.	Mr. Raj Kumar Avasthi	Member	Promoter Director
3.	Dr. Sandeep Kapur	Member	Independent Director (Non Executive)

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

Financial Year	Net Profit (in Crs)	Average Profit (In Crs)
2018-19	37.82	33.80
2017-18	28.88	
2016-17	34.70	

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

Rs. 67.60 Lakhs (i.e. 2% of Rs 33.80 Crores)

**5. Details of CSR spent during the financial year:**

**a. Total amount to be spent for the financial Year**

Rs. 28.52 Lakhs

**b. Amount Unspent, if any**

Rs. 39.08 Lakhs and the same was spent during FY 2020-21.



Manner in which the amount spent during the financial year detailed below: (Rs in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program s wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Over Heads	Cumulative Expenditure upto the reporting period	Amount Spent Direct or through implementing agency	Remarks
1.	Contribute towards Preventive and curative health services in communities	Promoting Healthcare	Village Goniana / Village Jeeda Bathinda, Village Kanech, Ludhiana	7.28	7.28	-	Direct	
2.	Contribute towards development of infrastructure of village's school,	Community Welfare	Village Jeeda/ Village Harraipur Bathinda	21.24	21.24	-	Direct	
				28.52	28.52	-		

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 entire 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 FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,  
The Members,  
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 conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms, E-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 March 31, 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms includes E-forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 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 (FDI), Overseas Direct Investment(ODI) and External Commercial Borrowings(ECB); **(Not Applicable during the Audit Period)**;
- (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(Listing obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**;
  - g) 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;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**;
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2).
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Listing Agreements entered into by the Company with Bombay Stock Exchange ; **During the Period under review the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc**
- (vi) We have relied in the representation made by the Company & its Officers for the system and mechanism formed by the Company for its Compulsory Certificates , Registrations and various compliances filed by the company under applicable Acts as Environmental Laws & Labour Laws as per List attached herewith.

**Based on the information received and records maintained, we further report that:**

The Board of Directors of the Company is constituted with proper balance of Executive, Non Executive and Independent Directors. As there was no change in composition in board during the period under review.

Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda 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 in compliance of the Act .

Majority decision is carried through and recorded in the minutes of the meetings. Further as informed and verified from minutes, no dissent was given by any director in respect of the resolutions passed in the board and the committee meetings.

That the Company has proper Board Processes.

**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 compliances with applicable laws, rules, regulations, guidelines, standards etc.

**We further report that** during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

**For M/S SUNNY KAKKAR & ASSOCIATES  
COMPANY SECRETARIES**

**CS SUNNY KAKKAR  
CP NO -12712  
FCS NO - 10111**

**Place: Khanna  
Date: 09<sup>th</sup> November 2020**

**Note: This Report is to be read with our letter of same date which is annexed as Annexure A and forms as integral part of this report.**

**LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING THE AUDIT PERIOD****List of Labour Laws:-**

Factories Act, 1948.  
Industrial Disputes Act, 1947.  
Employees' Provident Funds and Miscellaneous Provisions Act, 1952.  
Employee's State Insurance Act, 1948.  
The Minimum wages Act, 1948  
The Payment of Bonus Act, 1972.  
The Apprentices Act ,1961  
Payment of Gratuity Act .1972.  
The Contract Labour (Regulation and Abolition) Act , 1970

**List of Environmental Laws:-**

Environment (Protection) Act, 1986.  
Air (Prevention & Control of Pollution) Act, 1981.  
Water (Prevention & Control of Pollution) Act, 1974.  
The Public Liability Insurance Act, 1991.

**ANNEXURE A**

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

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2020 of even date is to be read along with this letter.**

1. Maintenance of secretarial record 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. We believe that the processes and practices, we followed provide a reasonable basis 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 the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. As per the information provided by the Company, there are certain disputes cases filed by or against the Company, which are currently lying pending with the various Courts and Tribunals and tax authorities. However, as informed, these cases have no major impact on the Company.

**For M/S SUNNY KAKKAR & ASSOCIATES**  
**COMPANY SECRETARIES**

**Place: Khanna**  
**Date: 09.11.2020**

**CS SUNNY KAKKAR**  
**CP NO -12712**  
**FCS NO - 10111**

## ANNEXURE C 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 31<sup>st</sup> March, 2020.

**1. Conservation of Energy**

The Energy is a important contributing factor in yarn manufacturing thus its saving is given utmost priority by the organization and thus continual work is being carried out in the year where many small initiative has been taken across the organization such as Installation of Lower Wattage LED Tube, Replacement of a Low Wattage LED in Manufacturing, Administration and Colony Area, Extension of Ecorized tubes in Ring Frame Machines, Installation of Energy Efficient Spindles where ever replacement is due thus saving power around 7% in that area, Optimization of Humidification Plant during winter and Compressed Air by changing Nozels of improved design reducing Leakage and Installation of VFD & Flat Belt conversion and direct coupling in Ring Frame area resulting in to power saving to the extent of 2-3%.

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

		2019-20	2018-19
i)	Electricity		
a)	Purchased		
	Units (Kwh.)	193303170	159341717
	Amount (Rs.)	1103321374	936997557
	Rate Per Unit (Rs.)	5.71	5.88
b)	(Through Generator)		
	Units (Kwh)	125284	126835
	Amount (Rs.)	2381199	2431847
	Cost per unit (Rs.)	19.01	19.17
ii)	Coal / Pet coke		
	Qty. (Kgs.)	2181553	2052520
	Amount (Rs.)	21243924	21726446
	Rate per unit (Rs.)	9.73	10.59
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)	3.36	3.40
ii)	Coal and Rice Husk	0.04	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 exercise of the organization

and contamination free yarn, Organic Cotton, Other fibre dyed products, Jaspe Yarn in Poly Cotton Grey, 100% Polyester Fibre Dyed, Injection Yarn, Low Pill Super Soft yarn, Polyester Acrylic and their Blends, Multifibre Polyester Acrylic Modal Blended 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. Conversion of UPS Battery Module with CSM Module to avoid side cut issue in Lakshmi Speed Frame thus reducing downtime in machine.
- b. Reuse of RO waste water in toilets.
- c. Modification of Belt Pressure Roll/Pulley in TFO thus increasing the belt life.
- d. Modification of Clamping Crown in Rieter Ring Frame G32 to avoid its damage thus reduction in replacement cost
- e. Modification of Can Guide Roller in Card LC 333 and LC 363 to avoid sheet damage.
- f. 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.
- g. Installation of Inverter drive in Ring Frame and TFO giving Power Saving and fast change over during product mix resulting in lesser down in machine.
- h. Installation of Brass fitting in pneumatics in combing area to save air consumption
- i. Extension of equalizer suction tube in Rieter Machine resulting in to energy saving
- j. Used ring Dia 36 of 38 to increase the productivity.
- k. Direct Transmission in LR-60 Ring Frame is new concept textile industries, there are 2 to 3% power saving as well as frequent wear & tear, fire incidents to be negligible against existing Flat Belt Transmission.

**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) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:**

NOT APPLICABLE

**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 64038.25 Lakhs by export of its products. The outgoes of foreign exchange is Rs 43571.63 Lakhs, being the CIF value of imports of raw material/capital goods/stores & spares, interest on foreign currency loans & overseas commission/traveling expenses.

## ANNEXURE D TO THE DIRECTOR'S REPORT

## Particulars of Employees and Related Disclosures

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20 are as under:

Sr. No.	Names of the Directors/KMP	Designation	Remuneration of the financial year 2019-20 (Rs. In Lacs)	Ratio of Directors/KMP remuneration to Median remuneration	% increase in the Remuneration in the Financial year 2019-20
<b>I Executive Directors</b>					
1	Sh. Raj Kumar Avasthi	Chairman-cum-Managing Director	219.17	180.29	(8.67)
2	Sh. Munish Avasthi	Managing Director	216.07	177.74	(9.97)
3	Sh. Naresh Kumar Jain	Executive Director	20.70	17.03	-
<b>II Non-Executive Directors</b>					
4	Sh. Prashant Kochhar	Independent Director	0.20	0.16	-
5	Sh. Sunil Kumar Puri*	Independent Director	0.25	0.20	-
6	Dr. (Mrs.) Harbhajan Kaur Bal*	Independent Director	0.20	0.16	-
7	Dr. Sandeep Kapur	Independent Director	0.20	0.16	-
<b>III Key Managerial Personnel</b>					
7	Mr. Parveen Kumar Gupta	Chief Financial Officer	21.83	17.95	4.35
8	Mr. Lovlesh Verma**	Company Secretary	4.13	3.40	NA

\*Mr. Sunil Puri and Dr (Mrs.) Harbhajan Kaur Bal had ceased/retired as Non-Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of their tenure.

\*\*% increase in the Remuneration of Mr. Lovlesh Verma for the financial year 2019-20 cannot be compared with his remuneration in the financial year 2018-19 as he received remuneration for only a part of financial year 2018-19.

2. There were 5684 permanent employees on the rolls of Company as on March 31, 2020.
3. The median remuneration of employees of the Company during the financial year 2019-20 was Rs 121560/- and there was 11.50% increase 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 2019-20 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	7.10%
Blue Collar	
- Monthly Wagers	10.00%
- Daily Wagers	7.00%

The percentile decrease in the Managerial Remuneration (Excluding Company Secretary) for the year FY 2019-20 was 8.41%.

5. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year:** Not Applicable.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

Name of the Employee	Designation	Remuneration (Rs. In Lacs)	Nature of Employment	Qualification	Experience (Years)	Joining Date	Age	Previous Employment	% of Equity Shares held	Relationship with Director
Raj Kumar Avasthi	CMD	219.17	Permanent	HSC	46	15.02.1989	74	NA	9.03	NA
Munish Avasthi	MD	216.07	Permanent	B.Com	27	01.08.1991	47	NA	6.75	NA
Shiv Kumar Sharma	President	29.68	Permanent	B.Tech	32	22.08.2013	56	Birla Textiles Indonesia	NIL	No
Ashok Kumar Sharma	President	28.12	Permanent	B.Tech	33	19.08.2010	61	Deepak Spinners Limited	NIL	No
Parveen Kumar Gupta	CFO	21.83	Permanent	FCA, ACS	36	01.04.1999	60	NA	NIL	No
Naresh Kumar Jain	ED	20.70	Permanent	B.A.	44	30.07.2009	66	Classic Wears Pvt. Ltd.	0.03	NA
D.S. Yadav	Vice President (H.R.)	20.40	Permanent	MSW	31	02.07.1997	54	Pashupati Spinning and Weaving Mills Limited	NIL	No
Rashim Jindal	President (Marketing)	19.23	Permanent	MBA	28	09.09.2004	50	Vardhman Spinning and General Mills Limited	NIL	No
Rajender Pal	GM - HR & ADMIN	17.29	Permanent	MBA (HR) , MSW	34	08.09.2017	54	Vardhman Polytex Limited	Nil	No
R.P. Gupta	EA to MD	17.04	Permanent	Master of Textile Technology	34	16.09.2014	56	Thai Acrylics Fibre, Thailand	NIL	No
Shaji John	AVP	16.59	Permanent	B.Tech (Textiles)	30	12.03.2013	57	Ginli Filaments Limited	NIL	No
Jagjeet Kumar Marwaha	GM	16.24	Permanent	B.Tech	31	10.01.2010	54	Nahar Spinning Mills Limited	Nil	No



## CORPORATE GOVERNANCE REPORT

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the Company's objective of enhancing shareholders value and its image. Adopting high standards with transparency gives comfort to all existing and potential stakeholders including government & regulatory authorities, customers, suppliers, bankers, employees and shareholders. The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance Practices. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. In India, Corporate Governance Standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI), in chapter IV read with schedule V of Securities and Exchange Board of India (SEBI) (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. Presently the Board consists of six Directors out of which two are promoter/ non-Independent Directors, one is non-promoter/ non-independent director and three are independent Directors. Mr. Raj Kumar Avasthi (Chairman & Managing Director) and Mr. Munish Avasthi (Managing Director) are related to each other. The Company has complied with the requirements of listing regulations in respect of composition of Board of Directors. None of the independent directors have any pecuniary relationship (except sitting fees) or transactions with the company. 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
Mr. Raj Kumar Avasthi	Executive Chairman & Managing Director and Promoter	321500
Mr. Munish Avasthi	Executive Managing Director and Promoter	240700
Mr. Naresh Kumar Jain	Executive and Non Promoter Director	1300
Mr. Prashant Kochhar	Non- Executive Independent Director	NIL
Dr. Sandeep Kapur	Non -Executive Independent Director	NIL
Mr. Sunil Puri*	Non -Executive Independent Director	NIL
Dr. (Mrs.) Harbhajan Kaur Bal *	Non -Executive Independent Director	NIL
Mrs. Harpreet Kaur Kang**	Non- Executive Independent Director	NIL

\*Mr. Sunil Puri and Dr. (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of their tenure.

\*\*The Board of Directors in their meeting held on 17th October, 2020 appointed Mrs. Harpreet Kaur Kang (DIN: 03049487) as Non Executive Independent Director of the Company.

**Board Meetings:**

The Board normally meets once in a quarter. Additional meetings are held as and when required. During the year under review, board met five times on 25.05.2019, 13.08.2019, 02.11.2019, 12.02.2020 and 29.03.2020. 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 / committee memberships in other Public Limited Companies are as under-

Name of the Directors	No. of Board Meetings Attended	Attendance at the last AGM	Total No. of Directorships in other Public Companies	Directorship held in other Public Ltd. Companies/ Category of Directorship	Total no. of Committee Memberships in other Public Companies	Total no. of Committee chairmanships in other Public Companies
Mr. Raj Kumar Avasthi	5	No	-	-	-	-
Mr. Munish Avasthi	5	Yes	-	-	-	-
Mr. Naresh Kumar Jain	5	Yes	-	-	-	-
Mr. Prashant Kochhar	4	Yes	-	-	-	-
Dr. Sandeep Kapur	4	No	2	Ralson India Limited (Non-Executive Independent Director)  Ludhiana Smart City Limited (Nominee Director)	1	-
Mr. Sunil Puri*	5	Yes	-	-	-	-
Dr (Mrs.) Harbhajan Kaur Bal *	4	Yes	1	Nahar Industrial and Enterprise Limited (Non-Executive Independent Director)	1	-

\* Mr. Sunil Puri and Dr (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of their tenure.

**Note:**

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

**Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors.**

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which is currently available with the Board:

Sr NO	Skill/Expertise/Competencies	Names of Directors who have such Skill/Expertise/Competencies						
		Mr. Raj Kumar Avasthi	Mr. Munish Avasthi	Mr. Naresh Kumar Jain	Mr. Prashant Kochhar	Dr. Sandeep Kapur	Dr. (Mrs.) Harbhajan Kaur Bal *	Mr. Sunil Puri*
1.	Industry Knowledge/Experience	✓	✓	✓				
2.	Knowledge of Sector	✓	✓	✓			✓	✓
3.	Accounting, Finance and Banking	✓	✓	✓	✓	✓	✓	✓
4.	Business Strategy and Planning Management	✓	✓	✓	✓	✓	✓	✓
5.	Marketing Management	✓	✓	✓		✓		✓
6.	Corporate Governance	✓	✓	✓	✓	✓	✓	✓
7.	Legal & Risk Management	✓	✓	✓	✓	✓	✓	

8.	Compliance focus Management	✓	✓	✓	✓	✓	✓	✓
9.	Foreign Exchange Management		✓	✓	✓	✓	✓	✓
10.	Project Management	✓	✓	✓		✓	✓	✓

\* Mr. Sunil Puri and Dr. (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of their tenure.

**Confirmation from the Board of Directors in context to Independent Directors:**

Board of Directors has confirmed that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

**Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

No Independent Director has resigned before expiry of his/her tenure.

**3. Board Committee (s)**

**a. Audit Committee**

**Composition and Terms of Reference:**

Audit Committee is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. During the FY 2019-20 the committee comprise of three directors i.e., Mr. Prashant Kochhar, Dr. (Mrs.) Harbhajan Kaur 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. The Company Secretary is the Secretary of the Committee

The Audit committee discusses the reports of Statutory Auditors, Internal Auditors, Secretarial Auditors as well as Cost Auditors of the company. The appointment of Statutory, Secretarial and Cost Auditors are recommended by the Audit Committee. It also reviews the Company's financial and risk management policies, management discussion and analysis of financial condition, results of operations and statement of significant related party transactions at periodic basis including omnibus approval and review thereof. The composition, quorum, powers, role and terms of reference are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations.

During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The committee met four times during the financial year under review on 25.05.2019, 13.08.2019, 02.11.2019 and 12.02.2020. The attendance of committee members is as under:

Name of the Directors	Designation	Category	Nos. of Meeting Held/ Attended
Mr. Prashant Kochhar	Chairman	Non-Executive Independent Director	4
Dr (Mrs.) Harbhajan Kaur Bal *	Member	Non-Executive Independent Director	4
Mr. Sunil Puri*	Member	Non-Executive Independent Director	4

\* Mr. Sunil Puri and Dr. (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of their tenure.

Further the Board of Directors in their meeting held on 17.10.2020 had reconstituted the Audit Committee which is as under:

Sr. No	Name of the Director	Designation	Category
1.	Mr. Prashant Kochhar	Chairman	Non-Executive Independent Director
2.	Dr. Sandeep Kapur	Member	Non-Executive Independent Director
3.	Mrs. Harpreet Kaur Kang	Member	Non-Executive Independent Director
4.	Mr. Naresh kumar Jain	Member	Executive Non Promoter Director

**b. Stakeholders' Relationship Committee**

**Composition and Terms of Reference:**

During the FY 2019-20 the Stakeholder Relationship Committee's comprise of three directors i.e. Dr. (Mrs.) Harbhajan Kaur Bal, Mr. Munish Avasthi and Mr. Naresh Kumar Jain. Dr (Mrs.) Harbhajan Kaur Bal is the Chairman of the Committee and it 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 share holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend, issuance of Duplicate Share Certificates or any other matters with regard to shares if any. Company Secretary of the Company act as Compliance officer of the committee/company as per the requirement of SEBI Listing Regulation. During the Financial year 2019-20, 10 investor complaints/queries were received and out of which 9 complaints have been resolved and 1 pending compliant unresolved at the end of the quarter 31<sup>st</sup> March 2020 which was resolved in April 2020.

The attendance of committee members is as under:

Name of the Directors	Designation	Category	Nos. of Meeting Held /Attended
Dr (Mrs.) Harbhajan Kaur Bal *	Chairman	Non-Executive Independent Director	11/11
Mr. Munish Avasthi	Member	Executive Promoter Director	11/11
Mr. Naresh Kumar Jain	Member	Executive Non Promoter Director	11/11

\* Dr (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of her tenure.

Further the Board of Directors in their meeting held on 17.10.2020 had reconstituted the Stakeholders' Relationship Committee which is as under:

Sr. No	Name of the Director	Designation	Category
1.	Dr. Sandeep Kapur	Chairman	Non-Executive Independent Director
2.	Mr. Munish Avasthi	Member	Executive Promoter Director
3.	Mr. Naresh Kumar Jain	Member	Executive Non Promoter Director

### c. Nomination and Remuneration Committee and Policy

#### Composition and Terms of Reference::

During the FY 2019-20 the Composition of 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 Mr. Sunil Puri , Dr (Mrs.) Harbhajan Kaur Bal and Mr. Prashant Kochhar. Mr. Sunil Puri is the Chairman of the Committee.

The brief description of Terms of Reference of Nomination and Remuneration Committee is to guide the Board in relation to the identifying person for appointment/removal, and to recommend/review remuneration of the directors including Whole-time/ Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The Committee is wide enough covering the matters specified under the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### 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(I) Criteria of selection of Non-Executive Directors

- 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.
- 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.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - Qualification, expertise and experience of the Directors in their respective fields
  - Personal, Professional or business standing;
  - Diversity of the Board.

**(II) Remuneration to Non-Executive Directors**

Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board attended by him, 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.

**B(I) Criteria of selection of Executive Directors**

For the purpose of selection of Executive Directors including Managing Director(s) 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.

**(II) Remuneration to Executive Directors**

At the time of appointment or re-appointment, the Executive Director's including Managing Director (s) 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 Managing Director (s) 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/commission, allowances, perquisites, amenities and provident and other retirement benefits funds as approved by the shareholders at the General Meeting.

**Policy for Remuneration of 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 N&R Committee for its review and approval.

The committee met two times during the financial year under review on 25.05.2019 and 13.08.2019. The attendance of committee members is as under:

Name of the Directors	Designation	Category	Nos. of Meeting Attended
Mr. Sunil Puri*	Chairman	Non-Executive Independent Director	2
Dr. (Mrs.) Harbhajan Kaur Bal *	Member	Non-Executive Independent Director	2
Mr. Prashant Kochhar	Member	Non-Executive Independent Director	2

\* Mr. Sunil Puri and Dr. (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of their tenure.

Further the Board of Directors in their meeting held on 17.10.2020 had reconstituted the Nomination and Remuneration Committee which is as under:

Sr. No	Name of the Director	Designation	Category
1.	Dr. Sandeep Kapur	Chairman	Non-Executive Independent Director
2.	Mr. Prashant Kochhar	Member	Non-Executive Independent Director
3.	Mrs. Harpreet Kaur Kang	Member	Non-Executive Independent Director

**Details of the Remuneration paid/payable to the Directors and Key Managerial Personnel for the Year Ended 31st March 2020.**

**Executive Directors:**

Name	Designation	Salary (Rs.)	Allowances / Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Mr. Raj Kumar Avasthi	Chairman & Managing Director	2,06,60,000	12,57,041*	—	—	2,19,17,041
Mr. Munish Avasthi	Managing Director	2,03,50,000	12,57,041*	—	—	2,16,07,041
Mr. Naresh Jain	Executive Director	13,80,000	6,90,000	—	—	20,70,000

\*Allowance/Perquisite Includes Rent Free Accommodation of Rs. 9,32,700/-.

**Non-Executive Independent Directors:**

Name	Designation	Amount (Rs.)
Mr. Sunil Puri*	Non-Executive Independent Director	25,000
Dr. (Mrs.) Harbhajan Kaur Bal*	Non-Executive Independent Director	20,000
Mr. Prashant Kochhar	Non-Executive Independent Director	20,000
Dr. Sandeep Kapur	Non-Executive Independent Director	20,000

\* Mr. Sunil Puri and Dr (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of their tenure

**Key Managerial Personnel**

Name	Designation	Amount (Rs.)
Mr. Parveen K Gupta	Chief Financial officer (CFO)	21,82,596*
Mr. Lovlesh Verma	Company Secretary	4,12,923*

\*Amount not includes Provident fund, Leave Travel Allowance and conveyance reimbursement.

**d) Corporate Social Responsibility (CSR) Committee**

**Composition and Terms of Reference:**

Pursuant to the provisions of section 135 and Schedule VII of the Companies Act, 2013, the company has formed a Corporate Social Responsibility (CSR) Committee which comprises of three Directors i.e. Mr. Munish Avasthi, Mr. Raj Kumar Avasthi & Dr (Mrs) 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.

The brief description of Terms of Reference of Corporate Social Responsibility is to review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

The committee met once during the financial year under review on 20.03.2020. The attendance of committee members is as under:

Name of the Directors	Designation	Category	Nos. of Meeting Held/Attended
Mr. Munish Avasthi	Chairman	Executive Promoter Director	1
Mr. Raj Kumar Avasthi	Member	Executive Promoter Director	1
Dr (Mrs.) Harbhajan Kaur Bal *	Member	Non-Executive Independent Director	1

\* Dr (Mrs.) Harbhajan Kaur Bal had ceased/ retired as Non- Executive Independent Director of the Company, from the closing hours of 30.09.2020 after the completion of her tenure.

Further the Board of Director in their meeting held on 17.10.2020 had reconstituted the Corporate Social Responsibility (CSR) Committee which is as under:

Sr. No	Name of the Director	Designation	Category
1.	Mr. Munish Avasthi	Chairman	Executive Promoter Director
2.	Mr. Raj Kumar Avasthi	Member	Executive Promoter Director
3.	Dr. Sandeep Kapur	Member	Non-Executive Independent Director

#### e) Other Committee Of The Board

##### A. Committee of Independent Directors and Meeting

The Board of Directors of the Company has constituted a Committee of Independent Directors of the Board comprising of all four Non-Executive Independent Directors. During the year under review, the Independent Directors met on 21.12.2019, inter alia, to discuss:

- i) 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.

##### B. Share Transfer Committee and Meeting

To facilitate the share transfer and their approval the Board of Directors of the Company has constituted Share Transfer committee comprising of two directors i.e. Sh. Naresh Kumar Jain (Executive Director) and Sh. Sunil Puri (Non-Executive Independent Director). Sh. Naresh kumar Jain is the chairman of the committee and during the year under review, the Committee meets two times in a year.

#### 4. 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 (s)/ Whole Time Director (s) 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.



**5. ANNUAL GENERAL MEETING**

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

Meeting	Day	Date	Time	Venue	No. of Special Resolutions Passed
30 <sup>th</sup> AGM	Saturday	28/08/19	2.00 P.M.	5/69,Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005, Delhi	1
29 <sup>th</sup> AGM	Saturday	29/09/18	2.00 P.M.	5/69,Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005, Delhi	4
28 <sup>th</sup> AGM	Saturday	09/09/17	2.00 P.M.	5/69,Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005, Delhi	3

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

**6. 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 Bombay Stock Exchange 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. Also they are uploaded on the company's website [www.sportking.co.in](http://www.sportking.co.in).

**7. GENERAL SHAREHOLDERS INFORMATION**

<b>i.</b>	<b>31<sup>st</sup> Annual General Meeting</b>	
	Date	26.12.2020
	Time	2.00 P.M.
	Venue	Registered Office 5/69, Guru mansion, Padam Singh Road, Karol Bagh, New Delhi-110005
<b>ii.</b>	<b>Financial Calendar</b>	2020-21 (Tentative)
	First Quarter Results (Unaudited)	On or before 15 <sup>th</sup> September 2020
	Second Quarter Results (Unaudited)	On or before 14 <sup>th</sup> November 2020
	Third Quarter Results (Unaudited)	On or before 14 <sup>th</sup> February 2021
	Fourth Quarter (Audited)	On or before 30 <sup>st</sup> May, 2021
<b>iii.</b>	<b>Dates of Book Closure</b>	N.A.
<b>iv.</b>	<b>Dividend Payment Date</b>	No Dividend declared

**v. LISTING**

The Equity Shares (fully paid) of the Company listed on Bombay Stock Exchange Limited (BSE).The Company has paid listing fees to BSE for the financial year 2020-21

**vi. STOCK MARKET DATA**

Name of the Stock Exchnage- Bombay Stock Exchange Limited  
Address- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400 001  
(Script Code-53922)

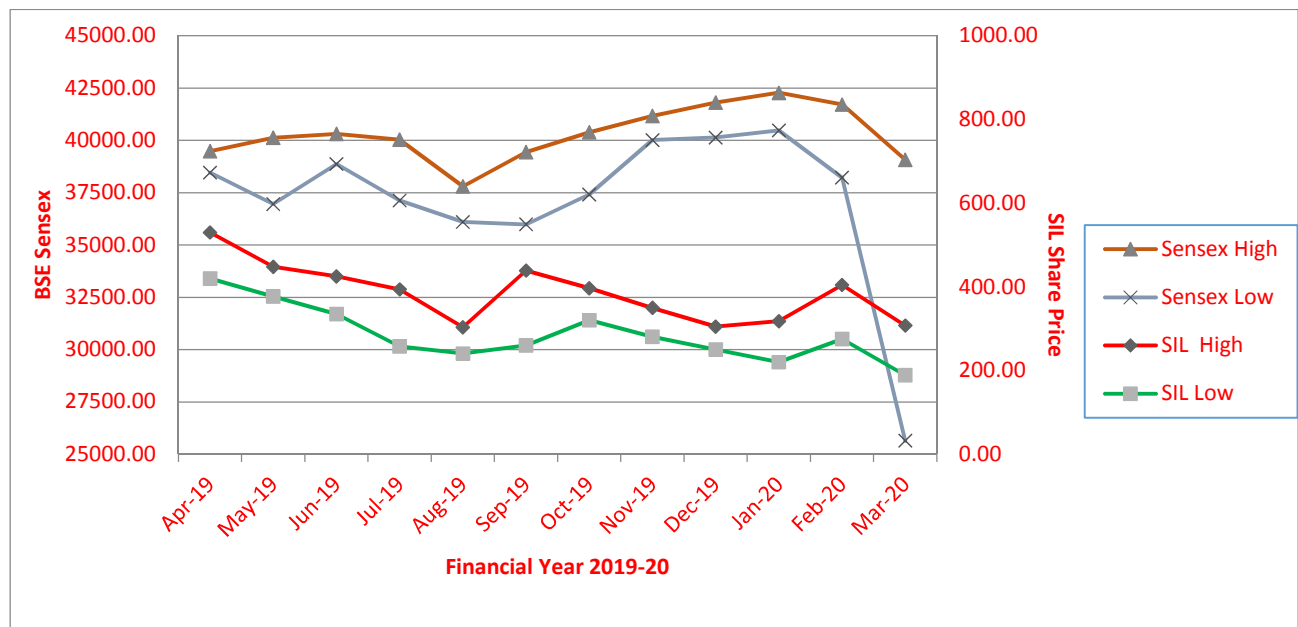


Monthly high and low prices of the Company scrip during the year on the BSE Limited.

BSE Limited					
Month	High Price	Low Price	Close Price	No. of Shares Traded	Total Turnover (Rs.)
Apr-19	530.00	420.00	429.95	2001	958002
May-19	448.00	377.00	429.85	4778	1954364
Jun-19	424.90	335.00	342.00	2336	887682
Jul-19	393.95	258.00	267.00	3495	1028505
Aug-19	303.25	240.60	257.55	3682	983231
Sep-19	438.95	260.00	380.00	8306	2998047
Oct-19	396.70	320.15	320.15	2787	980244
Nov-19	349.75	280.95	295.00	3767	1173162
Dec-19	304.95	250.00	273.00	437	116483
Jan-20	317.80	220.00	305.00	3469	959803
Feb-20	404.65	275.30	312.40	2383	757051
Mar-20	307.65	188.80	188.80	747	166317

Performance in comparison to broad based indices:

SPORTKING INIDA LIMITED (SIL) VS BSE SENSEX



## vii. DISTRIBUTION OF EQUITY SHAREHOLDERS AS ON 31ST MARCH 2020.

RANGE No. of Shares		Shareholders		Shares	
		Nos.	% to Total	Nos.	% to Total Shares
Up to	500	1295	84.75	258294	7.25
501	1000	151	9.88	116433	3.27
1001	2000	24	1.57	35646	1.00
2001	3000	13	0.85	30727	0.86
3001	4000	2	0.13	6844	0.19
4001	5000	4	0.26	18096	0.51
5001	10000	6	0.39	40960	1.15
Above 10001		33	2.15	3054000	85.77
<b>TOTAL</b>		<b>1528</b>	<b>100.00</b>	<b>3561000</b>	<b>100.00</b>

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

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.

## 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 31<sup>st</sup> March 2020, 72.35% of shares held in dematerialized form and the rest in physical form.

## x. Outstanding GDRs, ADRs, Warrants or any Convertible instruments etc. : Nil

## xi. Declaration and Certificate

- Declaration signed by the Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct is annexed herewith as a part of the report.
- Declaration signed by the Chief Executive Officer and Chief Financial officer to the Board about compliance by the Company for the financial year ended 31st March, 2020 is annexed herewith as a part of the report.
- Compliance Certificate for Corporate Governance from Practicing Company Secretaries is annexed herewith as a part of the report.
- Certificate from Practicing Company Secretaries that none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.

## xii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

No funds were raised by the Company through Preferential allotment or by way of a Qualified Institutions Placement during the FY 2019-20.

## xiii. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable

**xiv. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid by the company to the Statutory Auditors are given in Note No 33 of Financial Statements. Since the Company does not have any subsidiary, the provision on Consolidated Basis is not applicable to the Company. The Company also not paid any fees to the network firm/network entity of which the statutory auditor is a part

**xv. Credit Rating**

During the year ICRA had reassigned the long-term rating from [ICRA]BBB+ (pronounced ICRA Triple B plus) to [ICRA]BBB (pronounced ICRA Triple B) (with stable outlook) and short-term rating for the captioned LOC from [ICRA] A2 (pronounced ICRA A Two) to [ICRA]A3+ (pronounced ICRA A Three plus) on 23.09.2019 which was further revised by them to BBB (with negative outlook) and A3+ on 08.05.2020 and the said rating was withdrawn by them at the request of the company on 29.09.2020. Further M/s Brickwork Ratings India Pvt Ltd, has assigned the Bank Loan Credit Rating on 19.08.2020 as under:

Sr No	Name of the Facility	Rating
1.	Long Term Rating	BWR BBB (Stable Outlook)
2.	Short Term Rating	BWR A3+

**xvi. 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

**xvii Address for correspondence:**

**Regd. Office:** 5/69, Guru Mansion, 1st Floor,  
 Padam Singh Road, Karol Bagh,  
 New Delhi. 110005  
 Phone:011-25754885  
 Email: cs@sportking.co.in

**Corporate Office:** Village Kanech, Near Sahnewal GT  
 Road, Ludhiana -141120  
 Phone:0161-2845456

**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  
 Email: beetalrta@gmail.com

**xviii. OTHER DISCLOSURE**

- 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. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the [www.sportking.co.in](http://www.sportking.co.in).
- No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The Company has established a vigil mechanism/whistle blower policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud etc. and the same has been disclosed on the website of the Company. Further no personnel has been denied access to the Audit Committee.
- 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 complaint was reported to the board.
- The risks which the company is exposed to and policies and framework adopted by the company to manage these risks mentioned in Note No 46 of the financial statements.
- The Statutory Auditors of the Company have issued an Audit Report with un-modified opinion on the Audited Financial Results of the Company for the Financial Year ended 31st March, 2020.
- There is no non-compliance of any of the requirements of corporate governance report as required under the Listing Regulations.

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

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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  
For Sportking India Limited**

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

**Place: Ludhiana  
Date : 09.11.2020**

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

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**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, 2020 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.

**Parveen K Gupta  
Chief Financial Officer**

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

**Place: Ludhiana  
Dated: 09.11.2020**

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**Certificate from Company Secretary in Practice (Pursuant to clause 10 of Part C of Schedule V of LODR)**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Sportking India Limited (CIN: L17122DL1989PLC035050), we hereby certify that:

Based on verification of the books, papers, minute books, forms and returns filed and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2020, in my opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

**For Lal Ghai and Associates**

**Place: Ludhiana**  
**Dated: 09.11.2020**

**CS Sumit Ghai**  
**FCS-10253**  
**CP No: 12814**

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**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 2020, 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 thereof 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 the representations 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 Lal Ghai and Associates**

**Place: Ludhiana**  
**Dated: 09.11.2020**

**CS Sumit Ghai**  
**FCS-10253**  
**CP No: 12814**

**Independent Auditors' Report****To the Members of  
Sportking India Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Sportking India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, 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 ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises Directors' Report including annexures, if any, thereon, but does not include the financial statements and our auditor's report thereon. The Directors' Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial

position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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 in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 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, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 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 internal financial control over financial reporting of the company.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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 financial statements. Refer Note 35 to the financial statements.
    - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**(Sanjiv Mohan)**  
**Partner**  
**M. No. 086066**

**Place: Ludhiana**  
**Date : 29<sup>th</sup> June, 2020**



**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 provisions 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 there under. 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 Court 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 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 31<sup>st</sup> March, 2020.
- (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	1.40	-	1.40	Income tax Appellate Tribunal
Income Tax Act,1961	Income Tax	2013-14	23.91	-	23.91	Income tax Appellate Tribunal
Income Tax Act,1961	Income Tax	2010-11, 2011-12 & 2013-14	496.32	-	496.32	Commissioner of Income Tax (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 and based on our examination of records of the company, 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 (xiv) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, 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**  
**Firm Reg. No.000235N/N500089**

**(Sanjiv Mohan)**  
**Partner**  
**M. No. 086066**

**Place: Ludhiana**  
**Date : 29<sup>th</sup> June, 2020**

**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 31<sup>st</sup> March 2020 in conjunction with our audit of 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, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the 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 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 of the company.

**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 2020, 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  
Firm Reg. No.000235N/N500089**

**Place: Ludhiana  
Date : 29<sup>th</sup> June, 2020**

**(Sanjiv Mohan)  
Partner  
M. No. 086066**

**BALANCE SHEET AS ON 31ST MARCH, 2020**

P A R T I C U L A R S	Note No.	AS AT 31st March, 2020 (Rs in Lakhs)	AS AT 31st March, 2019 (Rs in Lakhs)
<b>I ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	3 (a)	46575.35	47008.80
(b) Capital Work-in-Progress		0.00	3325.05
(c) Right of Use Asset	3 (b)	47.02	0.00
(d) Other Intangible Assets	3 (c)	20.90	63.67
(e) Income Tax Assets (Net)	25	189.57	52.03
(f) Financial Assets			
(i) Other Financial Assets	4	106.71	0.00
(g) Other Non Current Assets	5	1322.75	1302.38
<b>Total Non Current Assets</b>		<b>48262.30</b>	<b>51751.93</b>
<b>2. Current Assets</b>			
(a) Inventories	6	21131.75	30965.13
(b) Financial Assets			
(i) Trade Receivables	7	17734.78	19389.43
(ii) Cash and cash equivalents	8	158.93	67.93
(iii) Bank Balances Other than (ii) above	9	0.00	821.08
(iv) Other Financial Assets	10	352.09	4.89
(c) Other Current Assets	11	8918.49	7453.63
<b>Total Current Assets</b>		<b>48296.04</b>	<b>58702.09</b>
<b>Total Assets</b>		<b>96558.34</b>	<b>110454.02</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	346.38	344.36
(b) Other Equity	13	24860.05	23661.65
<b>Total Equity</b>		<b>25206.43</b>	<b>24006.01</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	24992.28	14732.12
(ii) Lease liabilities	15	42.55	0.00
(b) Provisions	16	995.72	715.33
(c) Deferred Tax Liabilities (Net)	17	1822.10	1522.00
(d) Other Non Current Liabilities	18	366.72	473.60
<b>Total Non Current Liabilities</b>		<b>28219.37</b>	<b>17443.05</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	29113.48	30086.24
(ii) Trade Payables	20		
(A) Total Outstanding dues of micro enterprises and small enterprises		27.76	0.00
(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises		7584.21	17087.17
(iii) Lease liabilities	21	6.41	0.00
(iv) Other Financial Liabilities	22	6024.33	21357.94
(b) Provisions	23	67.83	56.59
(c) Other Current Liabilities	24	308.52	326.85
(d) Current Tax Liabilities (Net)	25	0.00	90.17
<b>Total Current Liabilities</b>		<b>43132.54</b>	<b>69004.96</b>
<b>Total Equity and Liabilities</b>		<b>96558.34</b>	<b>110454.02</b>

See accompanying notes to the financial statements 1-54

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

For and On behalf of the 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: June 29, 2020

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

**Lovlesh Verma**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS	Note No.	For the Year ended 31st March, 2020 (Rs in Lakhs)	For the Year ended 31st March, 2019 (Rs in Lakhs)
<b>Income</b>			
(I) Revenue from Operations	26	135505.11	116046.64
(II) Other Income	27	298.59	203.81
<b>(III) Total Income (I+II)</b>		<b>135803.70</b>	<b>116250.45</b>
<b>(IV) Expenses:</b>			
Cost of Materials Consumed	28	90092.27	75625.66
Purchases of stock-in-trade	29	109.24	86.69
Changes in Inventories of Work-in-Progress and Finished Goods	30	664.11	-156.87
Employee benefits expense	31	9716.34	8331.62
Finance Costs	32	5753.34	3947.46
Depreciation and Amortisation expense	3	6333.66	5365.42
Other expenses	33	21306.48	19268.67
<b>Total Expenses</b>		<b>133975.44</b>	<b>112468.65</b>
<b>(V) Profit before tax (III-IV)</b>		<b>1828.26</b>	<b>3781.80</b>
<b>(VI) Tax Expense:</b>			
Current Tax	34	328.73	908.40
MAT Credit Entitlement		-115.90	0.00
Tax adjustments related to earlier years	34	-58.61	19.56
Deferred Tax		438.27	451.81
<b>Total Tax Expense</b>		<b>592.49</b>	<b>1379.77</b>
<b>(VII) Profit for the year (V-VI)</b>		<b>1235.77</b>	<b>2402.03</b>
<b>(VIII) Other Comprehensive Income</b>			
(I) Items that will not be reclassified to Profit or Loss- Remeasurement of defined benefit plans		-63.73	32.01
(II) Income tax relating to items that will not be reclassified to Profit or Loss		22.27	-11.19
<b>Total Other Comprehensive Income</b>		<b>-41.46</b>	<b>20.82</b>
<b>(IX) Total Comprehensive Income (VII+VIII)</b>		<b>1194.31</b>	<b>2422.85</b>
<b>Earning per Equity Share in Rs. (Face Value of Rs. 10/- each)</b>			
Basic	38	34.70	67.45
Diluted		34.70	67.45

See accompanying notes to the financial statements 1-54

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

For and On behalf of the 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 : June 29, 2020

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

**Lovlesh Verma**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH,2020

(Rs. in Lakhs)

## a) Equity Share Capital

Particulars	Amount
Balance as on 1st April,2018	341.30
Change in equity share capital during the year*	3.06
<b>Balance as at 31st March,2019</b>	<b>344.36</b>
Change in equity share capital during the year*	2.02
<b>Balance as at 31st March,2020</b>	<b>346.38</b>

\* Unpaid call received during the year

## b) Other Equity

Particulars	Equity Component of Compound Financial Instruments					Other items of other comprehensive income (remeasurement of defined benefit plans)	Total
		Capital Redemption Reserve	Securities Premium	Retained Earnings	General Reserve		
Balance as on 1st April, 2018	4372.80	453.64	686.46	14259.82	3.00	12.44	19788.16
Amount received against calls unpaid	0.00	0.00	7.14	0.00	0.00	0.00	7.14
Equity component of preference shares allotted during the year	1443.50	0.00	0.00	0.00	0.00	0.00	1443.50
Profit for the year	0.00	0.00	0.00	2402.03	0.00	0.00	2402.03
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	20.82	20.82
Transfer from retained earnings to Capital Redemption Reserve	0.00	50.08	0.00	-50.08	0.00	0.00	0.00
<b>Balance as on 31st March 2019</b>	<b>5816.30</b>	<b>503.72</b>	<b>693.60</b>	<b>16611.77</b>	<b>3.00</b>	<b>33.26</b>	<b>23661.65</b>
Balance as on 1st April, 2019	5816.30	503.72	693.60	16611.77	3.00	33.26	23661.65
Amount received against calls unpaid	0.00	0.00	4.09	0.00	0.00	0.00	4.09
Equity component of preference shares allotted during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year	0.00	0.00	0.00	1235.77	0.00	0.00	1235.77
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	-41.46	-41.46
Transfer from retained earnings to Capital Redemption Reserve.	0.00	50.08	0.00	-50.08	0.00	0.00	0.00
<b>Balance as on 31st March 2020</b>	<b>5816.30</b>	<b>553.80</b>	<b>697.69</b>	<b>17797.46</b>	<b>3.00</b>	<b>-8.20</b>	<b>24860.05</b>

See accompanying notes to the financial statements 1-54

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

For and On behalf of the 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: June 29, 2020

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

**Lovlesh Verma**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

PARTICULARS	For the Year ended 31st March, 2020 (Rs in Lakhs)	For the Year ended 31st March, 2019 (Rs in Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax	1828.26	3781.80
<u>Adjustments for :</u>		
Interest on liability component of compound financial instruments	31.12	28.30
Amortisation of Processing Charges	42.16	26.29
Interest on Unsecured Loan from directors	-0.71	0.00
Depreciation and Amortisation	6333.66	5365.42
Unrealised foreign exchange (Gain)/ Loss on assets and liabilities	913.67	-773.82
Interest on Borrowings	5322.09	3825.30
Interest Income	-155.23	-144.39
Rent Income	-4.29	-4.10
(Profit)/Loss on sale of Property, plant and equipment (net)	-0.33	-0.03
<b>Operating Cash flow before Changes In Working Capital</b>	<b>14310.40</b>	<b>12104.77</b>
<b>Adjustments for Working Capital Changes :</b>		
(Increase (-))/Decrease (+) in Trade and Other Receivables	931.13	-7768.92
(Increase(-))/Decrease (+) in Inventories	9833.39	-2830.56
Increase (+)/(Decrease (-)) in Trade Payable and Other liabilities	-9761.55	10784.67
<b>Cash Generated from operating activities</b>	<b>15313.37</b>	<b>12289.96</b>
Taxes Paid	-539.12	-2570.35
<b>Net Cash from/(used) in operating activities</b>	<b>14774.25</b>	<b>9719.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment for Purchase of Property, plant and equipment	-14361.60	-10724.58
Proceeds from Sale of Property, plant and equipment	25.18	6.65
Rent Received	4.29	4.10
Interest Received	145.63	144.39
<b>Net Cash from/(used) in Investing Activities</b>	<b>-14186.50</b>	<b>-10569.44</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Calls unpaid received during the year	6.12	10.20
Proceeds from issuance of preference shares	0.00	1500.00
Payment of Lease Liability	-14.62	0.00
Proceeds from Non Current Borrowings (also refer note 52)	12392.08	4518.87
Proceeds from Current Borrowings (also refer note 52)	0.00	4272.85
Repayment of Current Borrowings (also refer note 52)	-1909.86	0.00
Repayment of Non Current Borrowings (also refer note 52)	-5500.92	-5821.46
Interest Paid (Including interest on Lease Liability)	-5469.55	-3643.59
<b>Net Cash from/(used) in Financing Activities</b>	<b>-496.75</b>	<b>836.87</b>
<b>D. Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>91.00</b>	<b>-12.96</b>
Cash and Cash Equivalents at the beginning of the year	67.93	80.89
Cash and Cash Equivalents at the end of the year	<b>158.93</b>	<b>67.93</b>

Refer note 8 for components of Cash and Cash Equivalents

See accompanying notes to the financial statements 1-54

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

For and on behalf of Board of Directors

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

**Munish Avasthi**  
Managing Director  
DIN No.00442425

**Naresh Jain**  
Executive Director  
DIN No.00254045

**(Sanjiv Mohan)**  
Partner  
M.No.086066  
Place: Ludhiana  
Date : June 29, 2020

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

**Lovlesh Verma**  
Company Secretary



**SPORTKING INDIA LIMITED**

Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2020

**NOTE 1 CORPORATE INFORMATION**

Sportking India Limited (the Company) is a public limited company domiciled 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. The Company has manufacturing units at Ludhiana and at Bathinda. The company is listed at BSE Limited (Bombay Stock Exchange)

The financial statements were approved and authorized for issue by the Company's Board of Directors on 29<sup>th</sup> June 2020.

**NOTE 2 FINANCIAL STATEMENTS****2.1 STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

**2.2 BASIS OF PREPARATION AND MEASUREMENT**

(i) The financial statements have been prepared on historical cost convention on accrual basis except for certain financial instruments (including derivative instruments) which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given/ received in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these standalone financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

\* Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

\* Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

\* Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Accounting policies have been consistently applied except where in 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.

(iii) The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April, 2019

Adoption of Ind AS 116 "Leases" did not have any significant impact on the profits of current year.

(iv) The functional and presentation currency of the Company is Indian rupees (INR) and all values are rounded to the nearest Lakhs and two decimals thereof, except otherwise stated.

**2.3 SIGNIFICANT ACCOUNTING POLICIES:****(a) Revenue Recognition**

Revenue from contracts with customers is recognised as and when the company satisfies performance obligation by transfer of control of goods at an amount that reflects the consideration entitled in exchange for those goods.

Generally control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risk of ownership or future obligations with respect to the goods shipped.

**(A) Sale of products**

Revenue from sale of products is recognized at a point of time when the control of goods is transferred to the customer which is usually on dispatch/ delivery. Sale is net of sales returns, discounts and goods and services tax.

Revenue in respect of the export incentives is recognised on post export basis and it is reasonable to expect ultimate collection.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amount collected on behalf of third parties (For example taxes and duties collected on the behalf of government). Consideration is generally due upon satisfaction of performance obligation and receivable is recognized when it becomes unconditional.

The company does not adjust short term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods will be transferred to the customer within a period of one year.

The Company had adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'.

The Company had adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Impact on adoption of Ind AS 115 was not material.

**(B) Other Income**

**(i)** Revenue in respect of interest from customers is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

**(ii)** Interest income from financial assets is recognised when it is probable that economic benefit will flow to the company and the amount can be measured reliably and is recognised using effective interest rate by reference to the principal amount outstanding and at effective interest rate..

**(iii)** Dividend income is recognized when the right to receive payment is established and the amount of dividend can be measured reliably.

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

**(v)** Revenue in respect of other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

**(b) 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) Post-Employment benefit plans****(i) Defined Contribution Plan:**

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

**(ii) 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

**(C) Other long term employee benefits- Compensated absences:**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected 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.

**(c) Property, Plant and Equipment:**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment as at 1<sup>st</sup> April, 2016 measured as per previous GAAP and use its carrying value as its deemed cost of Property, Plant and Equipment as per 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:

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

**(ii)** Any expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

**(iii)** 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.

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. An item of Property, Plant and Equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de recognition of the asset measured as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement when the asset is derecognized.

#### **(d) Other Intangible Assets**

Intangible Assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amortization and impairment, if any.

The cost and related accumulated amortization are eliminated from financial statement upon disposal or retirement of the assets and the resulted gain or losses are recognized in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **(e) Depreciation and amortization**

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

Depreciation method, useful lives and residual values are reviewed periodically, including, at each financial year end with the effect of any changes in estimate accounted for on a prospective basis.

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.

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.

#### **(f) 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.

Net Realisable Value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sales.

#### **(g) 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.

#### **(h) Earnings per Share**

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

#### **(i) Income Taxes**

Income tax expense comprises current tax and net change in deferred tax asset and liability during the year.

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 liabilities and also deferred tax assets and 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'.

#### **(j) 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 fixed assets upto financial year 2018-19 were recognised in statement of profit or loss as income on a systematic basis. As per the amendment in Ind-AS 20 "Government Grants vide notification dated 20<sup>th</sup> September, 2018, the Company has opted to present the grant received / receivable related to assets as deduction from the carrying value of such assets w.e.f. 1<sup>st</sup> April, 2019.

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.

#### **(k) Foreign Currency translations**

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 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.

Non-monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, Non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

### **(l) 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.

### **(m) Leases**

#### **A) Policy applicable before April 1, 2019**

##### **The Company as a lessee**

**(i)** Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

**(ii)** Leases in which a significant portion of risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Lease payments under operating leases are recognized as an expense on the straight line basis over the term of lease.

##### **The Company as a lessor**

Lease Income from operating leases is recognized on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **B) Policy applicable after April 1, 2019**

##### **The Company as a lessee**

The Company has adopted Ind AS 116, effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020.

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for which underlying asset is of low value. For these short-term and leases for which underlying asset is of low value, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets 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 Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

#### **The Company as a lessor**

Leases for which the company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### **(n) 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.

##### **(A) 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.

##### **(B) Subsequent measurement**

###### **(i) Non-derivative financial instruments**

###### **\* 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.

###### **\*\* 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.

###### **\*\*\* 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.

**\*\*\*\* 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.

**(ii) Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts 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.

**(iii) 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.

**(iv) 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 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.

**(C) 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 it expires.

**(o) Impairment****(A) Financial assets (other than measured at fair value)**

The company recognizes loss allowances using the expected credit loss 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 expected credit loss. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit loss, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime expected credit 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.

Impairment is reviewed periodically including at the end of each financial year.

#### **(p) 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 the original maturity period of three months or less, which are subject to an insignificant risk of changes in value.

#### **(q) 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.

#### **(r) Provisions and Contingent Liabilities**

**(A)** A provision shall be recognised when:

**(i)** an entity has a present obligation as a result of a past event;

**(ii)** it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

**(iii)** a reliable estimate can be made of the amount of the obligation.

**(B)** A disclosure for a contingent liability is made when there is:

**(i)** a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

**(ii)** a present obligation that arises from past events but is not recognised because:

\* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

\*\* the amount of the obligation cannot be measured with sufficient reliability.

\*\*\* 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.

### **2.4 RECENT AMENDMENTS IN IND AS**

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would be applicable w.e.f. 1st April, 2020.

### **2.5 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 estimates 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.

**Critical accounting judgements, estimates and assumptions**

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**(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) Defined benefit plans**

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

**(iv) Recognition of deferred tax asset**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in financial statement.

**(v) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company, as it is not possible to predict the outcome of pending matters with accuracy. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

**(vi) Fair Value measurements**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note no. 45.

**(vii) Estimation of uncertainties relating to the global health pandemic from COVID-19**

World Health Organisation (WHO) declared outbreak of corona virus disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the company temporarily suspended the operations of the company in compliance with the lockdown instructions issued by central and state governments. COVID-19 has impacted the normal business operations of the company by way of interruption of production, supply chain disruptions, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. However, the company re-commenced production/business operations on 2<sup>nd</sup> April, 2020 after receipt of the approval of the Govt Authorities and after complying with the COVID-19 Preventive Guidelines/Standard operating procedures.

The company has made detailed assessment of COVID-19 on carrying amount of its assets comprising property, plant and equipment, intangible assets, right of use assets, inventory, trade receivables and other financial assets. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. However in view of highly uncertain and continuously evolving business environment, the eventual impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements. The company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business

**2.6 CURRENT - NON-CURRENT CLASSIFICATION**

All assets and liabilities have been classified as current and non-current on the basis of the following criteria:

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or use to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterpart, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing/servicing and their realization in cash or cash equivalents.

## SPORTKING INDIA LIMITED

## NOTE- 3(a) Property plant and equipment

(Rs In Lakhs)

## Carrying amount of Property plant and equipment

Particulars	As at 31st March 2020	As at 31st March 2019
Land	1902.80	1802.16
Building	20672.10	16471.61
Building Lease Hold	0.00	16.23
Plant and Machinery	23592.35	28399.77
Furniture and Fixtures	140.04	88.10
Vehicles	118.57	146.97
Office Equipment	149.49	83.96
<b>Total</b>	<b>46575.35</b>	<b>47008.80</b>

## As at 31st March 2020

Particulars	Gross Carrying Amount				Accumulated Depreciation					Net Carrying Amount		
	Balance as at 1st April,2019	Additions	Disposals	Other Adjustments	Balance as at 31st March,2020	Balance as at 1st April,2019	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March,2020	Balance as at 31st March,2020	Balance as at 31st March,2019
Land	1802.16	100.64	0.00	0.00	1902.80	0.00	0.00	0.00	0.00	0.00	1902.80	1802.16
Building	18164.75	4906.72	0.00	0.00	23071.47	1693.14	706.23	0.00	0.00	2399.37	20672.10	16471.61
Building Lease Hold	64.89	0.00	0.00	0.00	64.89	48.66	16.23	0.00	0.00	64.89	0.00	16.23
Plant and Machinery	42998.59	666.36	21.48	0.00	43643.47	14598.82	5472.70	20.40	0.00	20051.12	23592.35	28399.77
Furniture and Fixtures	155.17	75.07	0.00	0.00	230.24	67.07	23.13	0.00	0.00	90.20	140.04	88.10
Vehicles	305.63	37.79	131.44	0.00	211.98	158.66	42.27	107.52	0.00	93.41	118.57	146.97
Office Equipment	153.91	79.30	0.00	0.00	233.21	69.95	13.77	0.00	0.00	83.72	149.49	83.96
<b>Total</b>	<b>63645.10</b>	<b>5865.88</b>	<b>152.92</b>	<b>0.00</b>	<b>69358.06</b>	<b>16636.30</b>	<b>6274.33</b>	<b>127.92</b>	<b>0.00</b>	<b>22782.71</b>	<b>46575.35</b>	<b>47008.80</b>

## As at 31st March 2019

Particulars	Gross Carrying Amount				Accumulated Depreciation					Net Carrying Amount		
	Balance as at 1st April,2018	Additions	Disposals	Other Adjustments	Balance as at 31st March,2019	Balance as at 1st April,2018	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March,2019	Balance as at 31st March,2019	Balance as at 31st March,2018
Land	1795.37	6.79	0.00	0.00	1802.16	0.00	0.00	0.00	0.00	0.00	1802.16	1795.37
Building	14796.38	3368.37	0.00	0.00	18164.75	1136.87	556.27	0.00	0.00	1693.14	16471.61	13659.51
Building Lease Hold	64.89	0.00	0.00	0.00	64.89	32.44	16.22	0.00	0.00	48.66	16.23	32.45
Plant and Machinery	23315.85	19689.47	6.73	0.00	42998.59	9921.04	4677.89	0.11	0.00	14598.82	28399.77	13394.81
Furniture and Fixtures	144.41	10.76	0.00	0.00	155.17	47.90	19.17	0.00	0.00	67.07	88.10	96.51
Vehicles	273.97	31.66	0.00	0.00	305.63	114.94	43.72	0.00	0.00	158.66	146.97	159.03
Office Equipment	145.58	8.33	0.00	0.00	153.91	63.63	6.32	0.00	0.00	69.95	83.96	81.95
<b>Total</b>	<b>40536.45</b>	<b>23115.38</b>	<b>6.73</b>	<b>0.00</b>	<b>63645.10</b>	<b>11316.82</b>	<b>5319.59</b>	<b>0.11</b>	<b>0.00</b>	<b>16636.30</b>	<b>47008.80</b>	<b>29219.63</b>

Refer note 47 for detail of assets pledged as security.  
Refer note 53 for detail of borrowing cost capitalised during the year.

## NOTE- 3(b) Right of Use Asset

('Rs In Lakhs)

Carrying amount of Right of Use Asset		
Particulars	As at 31st March 2020	As at 31st March 2019
Buildings	47.02	0.00
<b>Total</b>	<b>47.02</b>	<b>0.00</b>

## As at 31st March 2020

Particulars	Gross Carrying Amount				Accumulated Depreciation					Net Carrying Amount		
	Balance as at 1st April,2019	Additions (Refer note below)	Disposals	Other Adjustments	Balance as at 31st March,2020	Balance as at 1st April,2019	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March,2020	Balance as at 31st March,2020	Balance as at 31st March,2019
Right of Use asset- Buildings	0.00	63.58	0.00	0.00	63.58	0.00	16.56	0.00	0.00	16.56	47.02	0.00
<b>Total</b>	<b>0.00</b>	<b>63.58</b>	<b>0.00</b>	<b>0.00</b>	<b>63.58</b>	<b>0.00</b>	<b>16.56</b>	<b>0.00</b>	<b>0.00</b>	<b>16.56</b>	<b>47.02</b>	<b>0.00</b>

## As at 31st March 2019

Particulars	Gross Carrying Amount				Accumulated Depreciation					Net Carrying Amount		
	Balance as at 1st April,2018	Additions	Disposals	Other Adjustments	Balance as at 31st March,2019	Balance as at 1st April,2018	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March,2019	Balance as at 31st March,2019	Balance as at 31st March,2018
Right of Use asset- Buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Note:

## Transition as per Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and has taken the cumulative adjustment to retained earnings on the date of initial application i.e. April 1, 2019. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application and the Right of Use Asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.63.58 Lakhs, and a lease liability of Rs. 63.58 Lakhs. The cumulative effect of applying the standard, amounting to Rs. Nil has been adjusted to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an decrease in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation as at and for the year ended 31 March 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of discounting the lease liabilities to the present value under Ind AS 116 and adjustment of prepaid payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.50% p.a.

## NOTE- 3 (c) Other Intangible Assets

Carrying amount of Other Intangible Assets		
Particulars	As at 31st March 2020	As at 31st March 2019
Computer Softwares	3.03	39.83
Electric Line Expenses	17.87	23.84
<b>Total</b>	<b>20.90</b>	<b>63.67</b>

Particulars	Gross Carrying Amount				Accumulated Amortization					Net Carrying Amount		
	Balance as at 1st April,2019	Additions	Disposals	Other Adjustments	Balance as at 31st March,2020	Balance as at 1st April,2019	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March,2020	Balance as at 31st March,2020	Balance as at 31st March,2019
Computer Softwares	154.44	0.00	0.00	0.00	154.44	114.61	36.80	0.00	0.00	151.41	3.03	39.83
Electric Line Expenses	35.68	0.00	0.00	0.00	35.68	11.84	5.97	0.00	0.00	17.81	17.87	23.84
<b>Total</b>	<b>190.12</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>190.12</b>	<b>126.45</b>	<b>42.77</b>	<b>0.00</b>	<b>0.00</b>	<b>169.22</b>	<b>20.90</b>	<b>63.67</b>

Particulars	Gross Carrying Amount				Accumulated Amortization					Net Carrying Amount		
	Balance as at 1st April,2018	Additions	Disposals	Other Adjustments	Balance as at 31st March,2019	Balance as at 1st April,2018	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March,2019	Balance as at 31st March,2019	Balance as at 31st March,2018
Computer Softwares	154.44	0.00	0.00	0.00	154.44	76.07	38.54	0.00	0.00	114.61	39.83	78.37
Electric Line Expenses	5.98	29.70	0.00	0.00	35.68	4.55	7.29	0.00	0.00	11.84	23.84	1.43
<b>Total</b>	<b>160.42</b>	<b>29.70</b>	<b>0.00</b>	<b>0.00</b>	<b>190.12</b>	<b>80.62</b>	<b>45.83</b>	<b>0.00</b>	<b>0.00</b>	<b>126.45</b>	<b>63.67</b>	<b>79.80</b>

Note: The intangible assets are not internally generated.

P A R T I C U L A R S	AS AT 31st March, 2020 (Rs in Lakhs)	AS AT 31st March, 2019 (Rs in Lakhs)
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**NOTE -4: OTHER FINANCIAL ASSETS (NON CURRENT)**

Fixed Deposits with Banks more than twelve months maturity #	106.71	0.00
<b>Total</b>	<b>106.71</b>	<b>0.00</b>

# represents reserve money with bank against Term Loan

**NOTE - 5: OTHER NON CURRENT ASSETS**Unsecured considered good

a) Capital Advances	0.00	227.58
b) Security Deposits	1294.72	1045.33
c) Prepaid Expenses	28.03	29.47
<b>Total</b>	<b>1322.75</b>	<b>1302.38</b>

**NOTE - 6: INVENTORIES**

(at cost or net realisable value, whichever is lower)

a) Raw Material	15440.93	12330.73
b) Raw Material in transit	818.71	13394.88
c) Work in Progress	1422.48	2194.89
d) Finished Goods	2181.61	2073.31
e) Store and Spares	1268.02	971.32
<b>Total</b>	<b>21131.75</b>	<b>30965.13</b>

Refer note 47 for detail of assets pledged as security.

**NOTE - 7: TRADE RECEIVABLES****Unsecured**

(a) Trade Receivable Considered Good	17617.05	19389.43
(b) Trade Receivable which have significant increase in Credit Risk	123.93	0.00
(c) Trade Receivable credit impaired	0.00	0.00
Less: Expected Credit Loss allowance	-6.20	0.00
<b>Total</b>	<b>17734.78</b>	<b>19389.43</b>

Refer note 46 for credit risk and expected credit loss related to trade receivables.  
47 detail of assets pledged as security & 48 for Other information.**NOTE - 8: CASH AND CASH EQUIVALENTS**

Balances with banks in current accounts	17.57	55.87
Cash in hand	141.36	12.06
<b>Total</b>	<b>158.93</b>	<b>67.93</b>

**NOTE -9: OTHER BALANCES WITH BANKS**

Fixed Deposits with Bank #	0.00	821.08
<b>Total</b>	<b>0.00</b>	<b>821.08</b>

# Rs. Nil (Pr Yr Rs. 704.82 Lakhs ) represents reserve money against letter of credit issued by bank.

**NOTE - 10: OTHER FINANCIAL ASSETS (CURRENT)**Financial assets at amortized cost

Interest receivable	4.89	4.89
<u>Financial assets at Fair value through Profit and Loss</u>		
Derivative Financial Instruments	347.20	0.00
<b>Total</b>	<b>352.09</b>	<b>4.89</b>

**NOTE - 11: OTHER CURRENT ASSETS  
(Unsecured Considered Good)**

a) Prepaid Expenses	190.02	145.58
b) Advance to suppliers (also refer note 48)	3012.03	2422.11
c) Recoverable from Government Authorities	3728.84	2890.95
d) Security Deposits	7.03	28.55
e) Other Recoverables	1980.57	1966.44
<b>Total</b>	<b>8918.49</b>	<b>7453.63</b>

## NOTE-12: Equity Share Capital

(Rs in Lakhs)

## a) Authorised and Paid up Share Capital

Particulars	As at 31st March,2020		As at 31st March,2019	
	Number	Amount	Number	Amount
<b>Authorised Share Capital</b>				
Equity shares of Rs. 10/-each (par Value)	5000000	500.00	5000000	500.00
<b>Total</b>	<b>5000000</b>	<b>500.00</b>	<b>5000000</b>	<b>500.00</b>
<b>Issued,Subscribed and paid up share capital</b>				
Equity shares of Rs.10/- each fully paid up	3561000	356.10	3561000	356.10
Less: Calls unpaid		-9.72		-11.74
	<b>3561000</b>	<b>346.38</b>	<b>3561000</b>	<b>344.36</b>

## 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	As at 31st March,2020	As at 31st March,2019
	Nil	Nil

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

Name of shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of holding	No. of Shares held	% of Holding
Namokar Capital Services Limited	798985	22.44	798985	22.44
Angel Finvest (P) Limited	487900	13.70	487900	13.70
Sobhagia Sales Private Limited	425565	11.95	425565	11.95
Raj Kumar Avasthi	321500	9.03	316700	8.89
Munish Avasthi	240700	6.76	240700	6.76

## 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,2020		As at 31st March,2019	
	Number	Amount	Number	Amount
At the beginning of the reporting period	3561000	344.36	3561000	341.30
Add:Unpaid Calls received during the year		2.02		3.06
<b>At the end of the reporting period</b>	<b>3561000</b>	<b>346.38</b>	<b>3561000</b>	<b>344.36</b>

## f) Aggregate number of Equity Shares issued for consideration other than cash,alloted by way of bonus shares and shares bought back for the period of five years immediately preceding the reporting date.

Fully paid up ordinary shares (Number)		
Equity Shares	As at 31st March,2020	As at 31st March,2019
Alloted as Fully paid up pursuant to contract(s) without payment being received in cash	0.00	0.00
Alloted as Fully paid up by way of bonus shares	0.00	0.00
Shares bought back	0.00	0.00

## NOTE 13: OTHER EQUITY

Rs in Lakhs

Particulars	Equity Component of Compound Financial Instruments (Refer footnote iii below)	Reserve and Surplus			General Reserve	Other Items of other comprehensive income (remeasurement of defined benefit plans)	Total
		Capital Redemption Reserve (Refer footnote ii)	Securities Premium	Retained Earnings			
Balance as on 1st April, 2018	4372.80	453.64	686.46	14259.82	3.00	12.44	19788.16
Amount received against calls unpaid (Refer footnote (i) below)	0.00	0.00	7.14	0.00	0.00	0.00	7.14
Equity component of preference shares allotted during the year	1443.50	0.00	0.00	0.00	0.00	0.00	1443.50
Profit for the year	0.00	0.00	0.00	2402.03	0.00	0.00	2402.03
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	20.82	20.82
Transfer from retained earnings to Capital Redemption Reserve	0.00	50.08	0.00	-50.08	0.00	0.00	0.00
<b>Balance as on 31st March 2019</b>	<b>5816.30</b>	<b>503.72</b>	<b>693.60</b>	<b>16611.77</b>	<b>3.00</b>	<b>33.26</b>	<b>23661.65</b>
Balance as on 1st April, 2019	5816.30	503.72	693.60	16611.77	3.00	33.26	23661.65
Amount received against calls unpaid (Refer footnote (i) below)	0.00	0.00	4.09	0.00	0.00	0.00	4.09
Equity component of preference shares allotted during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year	0.00	0.00	0.00	1235.77	0.00	0.00	1235.77
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	-41.46	-41.46
Transfer from retained earnings to Capital Redemption Reserve.	0.00	50.08	0.00	(50.08)	0.00	0.00	0.00
<b>Balance as on 31st March 2020</b>	<b>5816.30</b>	<b>553.80</b>	<b>697.69</b>	<b>17797.46</b>	<b>3.00</b>	<b>-8.20</b>	<b>24860.05</b>

**Footnotes:-**

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

The equity share capital and securities premium of Rs. 9.72 Lakhs and Rs. 23.31 Lakhs respectively are yet to be received on account of calls unpaid as on 31st March 2020 (Rs. 11.74 Lakhs and Rs. 27.40 Lakhs as on 31st March 2019)

(ii) The Preference Shares are redeemable within a period of 20 years from the dates of their respective allotments. The amount of Rs. 553.80 lakhs has been transferred to capital redemption reserve till date for such redemption (31st March 2019: Rs. 503.72 lakhs)

**(iii) Details of Preference share capital**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised Share capital</b>				
5% Redeemable Non Cumulative Preference Shares of Rs. 10/- each fully paid up	20000000	2000.00	20000000	2000.00
<b>Issued, subscribed and fully paid-up Share capital</b>				
5% Redeemable Non Cumulative Preference Shares of ` 10/- each fully paid up	10016200	1001.62	10016200	1001.62

**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 preceeding 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, 2020	As at 31st March, 2019
Face value of preference shares issue	1001.62	851.62
Add: Securities Premium	5358.85	4008.85
Total as at the beginning of the year	6360.47	4860.47
Add:- Face value of shares issued during year	0.00	150.00
Add:- Securities Premium received during the year	0.00	1350.00
Total	6360.47	6360.47
Less: Liability component shown under borrowings (refer note-14)	544.17	544.17
<b>Equity component shown under other equity</b>	<b>5816.30</b>	<b>5816.30</b>

**The detail of redemption of preference shares is as follows:**

Date of Redemption	No. of Shares	
	As at 31st March, 2020	As at 31st March, 2019
31.03.2021	2439000	2439000
31.07.2026	885200	885200
31.03.2031	2300000	2300000
31.03.2032	2892000	2892000
04.10.2038	1500000	1500000
<b>Total</b>	<b>10016200</b>	<b>10016200</b>



Rs. In Lakhs

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

Name of holders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sobhagia Sales Private Limited	3708075	37.02%	3708075	37.02%
Raj Kumar Avasthi	2989000	29.84%	2989000	29.84%
Sobhagia Clothing Co. (Through Partners)	1240000	12.38%	1240000	12.38%
Munish Avasthi	800000	7.99%	800000	7.99%
Angel Finvest (P) Limited	779125	7.78%	779125	7.78%

**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,2020		As at 31st March,2019	
	Number	Amount	Number	Amount
At the beginning of the reporting period	10016200	1001.62	8516200	851.62
Add				
Received during the year	0	0.00	1500000	150.00
<b>At the end of the reporting period</b>	<b>10016200</b>	<b>1001.62</b>	<b>10016200</b>	<b>1001.62</b>

**NATURE AND PURPOSE OF RESERVES****1) Equity Component of Compound Financial Instruments**

The fair value of the liability component of non- convertible preference shares issued by the company has been determined using a market rate for an equivalent non-convertible instrument and the said amount is classified as a financial liability. The remainder of the proceeds is recognised as 'Equity Component of Compound Financial Instruments' in other equity as per provisions of Ind AS 32. The balance in the said reserve can be transferred to Other Components of equity i.e. retained earnings after the redemption of preference shares.

**2) Capital Redemption Reserve:**

The Company has created Capital redemption reserve for redemption of preference shares at its maturity and certain amount is transferred to the said reserve each year. The reserve can be utilised for issuing bonus shares.

**3) Securities Premium:**

This represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

**4) General Reserve**

This represents retained earnings which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any future contingencies and to pay dividend to shareholders.

**5) Retained Earnings**

Retained earnings refer to net earnings not paid out as dividend but retained by the company to be reinvested in its core business. The amount is available for distribution of dividend to its equity shareholders.

**6) Reserve for other items through Other comprehensive income**

The reserve represents cumulative gains and losses on remeasurement of defined benefit plan net of taxes. The balance in Other Comprehensive income can be transferred to Other Components of equity i.e. retained earnings as and when the company decides to do so.

PARTICULARS	AS AT 31st March, 2020 (Rs in Lakhs)	AS AT 31st March, 2019 (Rs in Lakhs)
<b>NOTE 14: Borrowings (Non Current)</b>		
<b>i) From Banks (Secured)</b>		
i) Term Loans :		
Rupee Loans (Net of Unamortised Processing Charges of Rs. 139.95 lakhs, 31st March, 19 Rs. 182.11 lakhs)	14952.15	19654.19
Foreign Currency Loans	12416.62	0.00
	<u>27368.77</u>	<u>19654.19</u>
Less :Current Maturities of Long Term Debt	<u>3113.47</u>	<u>5644.53</u>
<b>Net non current borrowings</b>	<b>24255.30</b>	<b>14009.66</b>
<b>From Others (Unsecured)</b>		
From Related Parties (Refer Note 41) (Net of Deferred Interest of Rs. 16.60 Lakhs, 31st March, 19 Rs. Nil)	83.40	100.00
Liability Component of Compound Financial Instruments #	653.58	622.46
<b>Total</b>	<b><u>24992.28</u></b>	<b><u>14732.12</u></b>

# Liability component of 5% Redeemable Non Cumulative Preference Shares includes unwinding of interest of Rs. 109.40 lakhs upto 31st March 2020 ( 78.28 lakhs upto 31st March 2019) using effective interest method to the liability component.

i) The term loans (project/other than vehicle loans) from State Bank of India, Punjab National Bank, Central Bank of India, Union Bank of India, Punjab & Sind Bank and Indian Bank (earlier Allahabad Bank) are secured against a) first pari-passu charge on hypothecation/equitable 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-passu charge on hypothecation of current assets of the company and c) first pari passu charge on hypothecation equitable mortgage of commercial land and building situated at Village Barmalipur, Ludhiana jointly owned by Sh. Raj Kumar Avasthi (Chairman Cum Managing Director) and Sh. Munish Avasthi (Managing Director).  
The term loans are further guaranteed by Sh. Raj Kumar Avasthi (Chairman cum Managing Director) and Sh. Munish Avasthi (Managing Director) and Smt. Parveen Avasthi (wife of Sh. Raj Kumar Avasthi).

ii) The vehicle loans from ICICI Banks Ltd., AXIS Bank Ltd. and Yes Bank Ltd. are secured against hypothecation of respective vehicles.

iii) The Loan of Rs. 100.00 lakhs from Sh. Munish Avasthi (Managing Director) carry NIL interest and is not repayable before 31.03.2022.

iv) The Company has not defaulted in repayment of loans and interest .

v) Terms of repayment of term loans

As at 31st March 2020

Name of Bank	As at 31.03.2020	No. of Installments o/s as on 31.03.2020	Rate of Interest (in % age)	Payable within 12 Months
<b>Term Loans (Project Loans)</b>		<b>(Quarterly payable)</b>		
Punjab National Bank	1696.98	14	9.55 to 10.35	188.00
State Bank of India	3.32	0	10.35 to 10.40	0.00
State Bank of India	302.44	12	9.55 to 10.05	50.00
State Bank of India (FCL) *	1885.37	8	4.97	470.00
State Bank of India (FCL) *	9923.68	29	5.17 to 5.80	500.00
Indian Bank (Earlier Allahabad Bank)	2727.43	8	9.50	680.00
Central Bank of India	2358.69	8	9.40	590.00
Central Bank of India	1955.66	31	9.50 to 11.70	100.00
Punjab and Sind Bank	1090.05	8	9.50 to 9.80	272.00
Union Bank of India	4911.04	28	9.15 to 9.50	250.00
<b>Term Loans (Vehicles Loans)</b>		<b>(Monthly payable)</b>		
ICICI Bank Limited	3.02	27.00	9.11	1.60
Axis BANK Limited	3.33	24.00	8.95	1.20
Axis BANK Limited	29.98	50.00	9.41	2.68
Yes Bank Limited	2.84	27.00	8.82	0.52
Yes Bank Limited	6.13	26.00	8.85	1.27
Yes Bank Limited	1.19	26.00	8.85	6.20
	<u>26901.15</u>			<u>3113.47</u>
Net of current maturities	23787.68			

\*Exculsive of Reinstatement Loss of Rs. 607.57 Lakhs on account of Foreign Exchange Fluctuation

As at 31st March 2019

Name of Bank	As at 31.03.2019	No. of Installments o/s as on 31.03.2019	Rate of Interest (in%age)	0.00
<b>Term Loans (Project Loans)</b>		<b>(Quarterly payable)</b>		
Punjab National Bank	1016.00	4	9.50 to 9.55	1016.00
Punjab National Bank	2021.08	18	9.50 to 9.55	338.00
State Bank of India	695.33	3	10.30 to 10.95	695.33
State Bank of India	2536.00	12	10.00 to 10.30	656.00
State Bank of India	400.00	16	9.50 to 10.05	100.00
State Bank of India	3018.88	29	11.90	250.00
Allahabad Bank	378.49	3	9.50	378.49
Allahabad Bank	3649.58	12	9.50	944.00
Central Bank of India	3148.50	12	9.40	832.00
Central Bank of India	1490.00	32	11.70	50.00
Punjab and Sind Bank	1458.33	32	9.50	377.12
<b>Term Loans (Vehicles Loans)</b>		<b>(Monthly payable)</b>		
ICICI Bank Limited	0.94	6	10.76	0.94
ICICI Bank Limited	4.18	39	9.11	1.16
Axis BANK Limited	4.79	36	8.95	1.46
Yes Bank Limited	3.94	39	8.82	1.09
Yes Bank Limited	8.59	38	8.85	2.46
Yes Bank Limited	1.67	38	8.85	0.48
	<u>19836.30</u>			<u>5644.53</u>
Net of current maturities	14191.77			

PARTICULARS	AS AT	AS AT
	31st March, 2020 (Rs in Lakhs)	31st March, 2019 (Rs in Lakhs)
<b>NOTE - 15 LEASE LIABILITIES (NON CURRENT)</b>		
Lease Liability (Refer note 40)	42.55	0.00
<b>Total</b>	<b>42.55</b>	<b>0.00</b>
<b>NOTE - 16 PROVISIONS (NON CURRENT)</b>		
<u>Provision of employee benefits:</u>		
a) Gratuity	737.57	515.81
b) Leave encashment	258.15	199.52
<b>Total</b>	<b>995.72</b>	<b>715.33</b>
Refer note 43		
<b>NOTE - 17: DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liabilities (A)</b> [Refer Note 42 (a)]	2442.00	1794.30
<b>Deferred tax assets (B)</b> [Refer Note 42 (a)]	504.00	272.30
<b>Deferred tax liability (Net) (C=A-B)</b>	<b>1938.00</b>	<b>1522.00</b>
MAT Credit Entitlement (D)	115.90	0.00
Deferred tax liability (Net) E = (C-D)	<b>1822.10</b>	<b>1522.00</b>
<b>NOTE - 18: OTHER NON CURRENT LIABILITIES</b>		
Deferred Income for Govt Grant against EPCG licenses	366.72	473.60
<b>Total</b>	<b>366.72</b>	<b>473.60</b>
<b>NOTE - 19: BORROWINGS (CURRENT)</b>		
<b>Working capital Loans repayable on demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
(a) Cash Credit (Rupee loan)	542.08	3680.89
(b) Export Packing credit Loans (Foreign Currency Loan)	17080.88	13811.84
(c) Loan against warehouse receipts (Rupee loan)	3614.41	3976.00
(d) Discounted Trade Receivables (refer foot note iv below)	7876.11	8617.51
<b>Total</b>	<b>29113.48</b>	<b>30086.24</b>

Terms of repayment and nature of security	As at 31st March, 2020		31st March, 2019	
	Amount (in Lakhs)	Rate of Interest (%)	Amount (in Lakhs)	Rate of Interest (%)
<b>Cash Credit (Rupee loan)</b>				
State Bank of India	304.02	10.05 to 10.40	2469.53	9.95 to 10.55
Punjab National Bank	229.62	10.80 to 12.00	1061.21	10.75 to 11.00
Central Bank of India	8.44	8.90 to 10.00	150.15	8.90
	542.08		3680.89	
<b>Export Packing Credit Loans (Foreign Currency Loan)</b>				
State Bank of India	9507.98	2.74 to 4.70	7369.38	4.30 to 4.70
Punjab National Bank	4535.56	2.74 to 4.70	3926.34	4.30 to 4.70
Central Bank of India	3037.34	2.74 to 4.70	2516.12	4.30 to 4.70
	17080.88		13811.84	
<b>Loan against Warehouse Receipts (Rupee loan)</b>				
Punjab National Bank	3614.41	10.35 to 11.25	3976.00	10.00 to 11.00
	3614.41		3976.00	

- i) The Working capital borrowings (Cash Credit and Export Packing Credit) from consortium member banks viz. State Bank of India, Central Bank of India and Punjab National Bank are secured against a first pari-passu hypothecation 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 b) further collaterally secured against second pari passu hypothecation equitable mortgage charge on the Property, Plant and Equipment of the company at Village Meharban, Village Kanech, Village Barmalipur, Ludhiana, Village Jeeda Bathinda c) equitable mortgage of commercial land and building situated at Village Barmalipur, Ludhiana jointly owned by Sh. Raj Kumar Avasthi (Chairman and Managing Director) and Sh. Munish Avasthi (Managing Director)
- ii) The working capital borrowings (Loan against Warehouse Receipts) from Punjab National Bank are secured against pledge of warehouse receipts of the raw cotton bales stored in warehouses.
- iii) These working capital borrowings mentioned at point (i) and (ii) above are further guaranteed by Sh. Raj Kumar Avasthi (Chairman cum Managing Director) and Sh. Munish Avasthi (Managing Director) and Smt. Parveen Avasthi (relative of promoter director).
- iv) As the company has not transferred the significant risks and rewards relating to these trade receivables, it continue to recognize the full carrying amount of trade receivables and has recognized the cash received as a unsecured borrowing.

PARTICULARS	AS AT 31st March, 2020 (Rs in Lakhs)	AS AT 31st March, 2019 (Rs in Lakhs)
<b>NOTE - 20: TRADE PAYABLES</b>		
(A) Total outstanding dues of micro enterprises and small enterprises	27.76	0.00
(B) Total outstanding dues of other than micro enterprises and small enterprises (refer note 39, 41 and 48) #	7584.21	17087.17
<b>Total</b>	<b>7611.97</b>	<b>17087.17</b>
# The trade payables includes Rs. 6379.90 Lakhs (previous year Rs. 6523.97 Lakhs) bills discounted by suppliers under usance letter of credit.		
<b>NOTE - 21: LEASE LIABILITIES (CURRENT)</b>		
Lease Liability (Refer note 40)	6.41	0.00
<b>Total</b>	<b>6.41</b>	<b>0.00</b>
<b>NOTE - 22: OTHER FINANCIAL LIABILITIES (CURRENT)</b>		
<u>Financial Liabilities at amortized cost</u>		
a) Current Maturities of non current debt (Refer Note 14)	3113.47	5644.53
b) Interest accrued but not due on borrowings	126.41	498.44
c) Payables for purchase of property, plant and equipments	147.72	12196.23
d) Other Payables		
- Security deposit/retention money	37.91	55.00
- Employee Dues	1682.82	1513.85
- Other Expenses Payables	916.00	1265.75
<u>Financial Liabilities at Fair Value through Profit and Loss</u>		
Derivative Financial Instruments	0.00	184.14
<b>Total</b>	<b>6024.33</b>	<b>21357.94</b>
<b>NOTE - 23: PROVISIONS (CURRENT)</b>		
Provision of employee benefits:		
a) Gratuity	48.42	40.27
b) Leave encashment	19.41	16.32
<b>Total</b>	<b>67.83</b>	<b>56.59</b>
Refer Note 43		
<b>NOTE - 24: OTHER CURRENT LIABILITIES</b>		
a) Advances from Customers	113.39	153.39
b) Statutory remittances	179.24	173.46
c) Deferred Interest Income for Unsecured Loan	15.89	0.00
<b>Total</b>	<b>308.52</b>	<b>326.85</b>
<b>NOTE - 25: INCOME TAX (LIABILITIES) / ASSETS</b>		
Income tax liabilities (net of advance tax Nil; 31 March 2019: Rs. 818.23 Lakhs)		
	0.00	90.17
<b>Total</b>	<b>0.00</b>	<b>90.17</b>
Income tax assets (net of provision for taxation Rs. 328.73 lakhs; 31 March 2019: Nil)		
	189.57	52.03
<b>Total</b>	<b>189.57</b>	<b>52.03</b>

PARTICULARS	For the Year ended 31st March, 2020 (Rs in Lakhs)	For the Year ended 31st March, 2019 (Rs in Lakhs)
<b>NOTE - 26: REVENUE FROM OPERATIONS</b>		
a) Sale of products	134191.52	115075.57
b) Sale of Services	76.34	74.71
c) Other operating revenue	1237.25	896.36
<b>Total</b>	<b>135505.11</b>	<b>116046.64</b>
a) Detail of sale of products		
i) Yarn		
-Export	63321.64	55692.42
-Domestic	56095.83	49753.28
ii) Waste		
-Export	716.61	65.05
-Domestic	12039.33	8754.35
iii) Traded Goods/Raw Material	2018.11	810.47
	<b>134191.52</b>	<b>115075.57</b>
b) Detail of Sale of Services		
Job Work Charges	76.34	74.71
	<b>76.34</b>	<b>74.71</b>
c) Details of Other Operating Revenue		
Export Incentives	1113.27	783.56
Sale of Scrap	123.98	112.80
	<b>1237.25</b>	<b>896.36</b>
<b>NOTE - 27: OTHER INCOME</b>		
a) Profit on sale of property, plant and equipment (Net)	0.33	0.03
b) Rent Received	4.29	4.10
c) Interest Income	163.17	151.37
d) Bad debts recovered	0.00	12.00
e) Govt. Grant (Out of Deferred Income for Govt.Grants)	106.89	0.00
f) Miscellaneous Income	23.91	36.31
<b>Total</b>	<b>298.59</b>	<b>203.81</b>
<b>NOTE -28: COST OF MATERIAL CONSUMED</b>		
<b>Raw Material Consumed</b>		
Opening Stock	25725.61	22524.86
Add : Purchases	80626.29	78826.41
	106351.90	101351.27
Less : Closing Stock	16259.63	25725.61
<b>Total</b>	<b>90092.27</b>	<b>75625.66</b>
*Includes cost of raw material sold, if any		
Detail of Raw Material consumed		
Raw Cotton	76066.77	59172.53
Manmade Fibre	14025.50	16453.13
	<b>90092.27</b>	<b>75625.66</b>
<b>NOTE - 29: PURCHASE OF STOCK IN TRADE</b>		
Yarn	109.24	86.69
<b>Total</b>	<b>109.24</b>	<b>86.69</b>
<b>NOTE - 30: CHANGES IN INVENTORY OF WORK-IN-PROGRESS AND FINISHED GOODS</b>		
<u>Inventories at the beginning of the period</u>		
Work-In-Progress	2194.89	1629.76
Finished Goods	2073.31	2481.57
	<b>4268.20</b>	<b>4111.33</b>
<u>Inventories at the end of the period</u>		
Work-In-Progress	1422.48	2194.89
Finished Goods	2181.61	2073.31
	3604.09	4268.20
(Increase)/Decrease In Stock	<b>664.11</b>	<b>-156.87</b>

PARTICULARS	For the Year ended	For the Year ended
	31st March, 2020 (Rs in Lakhs)	31st March, 2019 (Rs in Lakhs)

**NOTE - 31: EMPLOYEE BENEFITS EXPENSE**

Salaries, Wages and Allowances	8931.04	7737.50
Contribution to Provident and Other Funds	712.11	522.17
Staff Welfare	73.19	71.95
<b>Total</b>	<b>9716.34</b>	<b>8331.62</b>

**NOTE - 32: FINANCE COST**

a) Interest on Bank borrowings	4430.10	2916.02
b) Other Borrowing Cost	972.51	970.84
c) Foreign Exchange Fluctuation on Foreign Currency Loans to the extent regarded as an adjustment to interest costs	350.73	60.60
<b>Total</b>	<b>5753.34</b>	<b>3947.46</b>

**NOTE - 33: OTHER EXPENSES**

Power and Fuel	11269.47	9623.18
Freight, Cartage, Loading and Unloading Expenses on purchases	176.08	127.47
Packing Material	1731.99	1450.78
Dyes and Chemicals	800.76	814.08
Stores and Spares	996.64	1430.40
Repairs to Machinery	1404.46	1700.39
Building Repair	85.59	93.80
Lease Rent (Refer Note 40)	0.40	21.06
Fees and Taxes	48.64	38.04
Professional Charges	28.98	42.57
Printing and Stationery	26.74	39.53
Postage and Telegram	18.15	14.60
Telephone Expenses	10.08	10.27
Insurance	184.26	88.72
Vehicle Maintenance	124.38	110.42
Charity and Donation	0.00	0.38
Corporate Social Responsibility Expenses (also refer note 50)	28.52	13.37
Net Loss on foreign Currency Transactions	434.58	172.06
Travelling and Conveyance	103.57	99.92
Entertainment Expenses	1.62	3.37
Director's Sitting Fee	0.85	1.10
Payment to Auditors*	9.42	9.14
Festival Expenses	57.33	61.71
Worker's Conveyance	428.73	339.28
Advertisement Expenses	1.81	6.61
Expected Credit Loss Allowance	6.20	0.00
Prior Period Expenses	0.20	0.00
Miscellaneous Expenses	190.44	230.78
Freight, Clearing and forwarding charges and Loading, Unloading charges on sales	2032.84	1765.23
Rebate and discount	70.70	30.58
Commission	1033.05	929.83
<b>Total</b>	<b>21306.48</b>	<b>19268.67</b>

**\* Payment to Auditors**

-Audit Fee	7.00	7.00
-Tax Audit Fee	1.00	1.00
-Reimbursement of expenses	1.42	1.14
<b>Total</b>	<b>9.42</b>	<b>9.14</b>

**NOTE - 34: CURRENT/EARLIER YEARS TAX**

Current Year Tax	328.73	908.40
Earlier Years Tax adjustments	-58.61	19.56
<b>Total</b>	<b>270.13</b>	<b>927.96</b>

## NOTE-35

## Contingent Liabilities and Commitments

## (a) Contingent Liabilities

(Rs in Lakhs)			
Sr. No.	Particulars	As on 31.03.2020	As on 31.03.2019
a)	Letter of Credit(s)/Bank Guarantee(s) issued by banks	-	79.73
b)	Disputed Income Tax Liabilities of cases pending with appellate authorities.	621.21	621.21
c)	Provident Fund disputes pending with Employees Provident Fund Appellate Tribunal.	10.82	10.82
d)	Disputed Excise Liabilities of cases pending with appellate authorities	44.87	44.87
e)	Disputed Electricity Liabilities of cases pending with appellate authorities.	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. Future cash flows in respect of above will be determined only on receipt of judgments/decisions pending in tax authorities.

## (b) Commitments

(Rs in Lakhs)			
Sr. No.	Particulars	As on 31.03.2020	As on 31.03.2019
a)	Commitments on account of Capital account remaining to be executed (Net of Advances).	-	478.70
b)	Bonds against un-fulfilled export obligations under Export Promotion Capital Goods/Duty Exemption scheme.	10823.72	14241.12

## NOTE - 36

## 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 - 37

## 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-38

## Earning Per Share

(Rs in Lakhs)		
Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Profit after tax for the year attributable to equity shareholders	1235.77	2402.03
Weighted average number of equity shares	3561000	3561000
Basic earnings per share	34.70	67.45
Diluted* earnings per share	34.70	67.45
Nominal Value of per share of (Rs.)	10.00	10.00

\*There are no potential equity shares.



## NOTE-39

The details relating to micro, small and medium enterprises are as hereunder:

Particulars	(Rs in Lakhs)	
	For the Year ended 31st March 2020	For the Year ended 31st March 2019
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	27.76	Nil
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Note: The amounts have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

## NOTE - 40

Company as lessee

(a) Interest expense of Rs. 6.04 Lakhs on the lease liability has been included in finance costs under the head 'Other borrowing cost' in the statement of Profit and Loss.

(b) The change in the carrying value of Right of Use asset during the year is as under:

Particulars	(Rs in Lakhs)
	Amount
As at April 1, 2019	-
Transition effect on account of adoption of Ind AS 116	63.58
Addition during the year	-
Depreciation during the year	16.56
As at March 31, 2020	47.02

(c) The depreciation expense of Rs. 16.56 Lakhs on Right of use asset is included under depreciation and amortization expense in the statement of Profit and Loss.

(d) The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	(Rs in Lakh)
	Amount
Current lease liabilities	6.41
Non-current lease liabilities	42.55
Total	48.96

(e) The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(Rs in Lakhs)
	Amount
Balance at the beginning of the year	-
Transition effect on account of adoption of Ind AS 116	63.58
Additions during the year	-
Finance cost accrued during the year	6.04
Payment of lease liability	20.66
Balance at the end of the year	48.96

(f) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(Rs in Lakhs)	
Particulars	Amount
Not later than one year	11.06
Later than one year and not later than five year	40.60
Later than five years	16.50
<b>Total</b>	<b>68.16</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(g) Rental expense recorded for short-term leases of Rs. 0.40 Lakhs for the year ended March 31, 2020 has been disclosed as rent in head 'Other expenses'.

#### Company as lessor

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 Rs. 4.29 Lakhs (Previous year is Rs. 4.10 Lakhs). The total of future minimum lease rent receipts are as follows:-

(Rs in Lakhs)		
Particulars	As on March 31, 2020	As on March 31, 2019
Not Later than one year	4.36	4.17
Later than one year but not later than five years	16.94	17.40
Later than five years	3.46	7.85

#### NOTE-41

#### Related Party Disclosure:

##### 1.) Related Parties and their relationship: ---

##### a) Key Management Personnel

###### I. Whole Time Directors

- Sh.Raj Kumar Avasthi
- Sh.Munish Avasthi
- Sh.Naresh Jain

###### II. Non Executive Independent Directors

- Sh. Sandeep Kapur
- Sh. Prashant Kochhar
- Smt. Harbhajan Kaur Bal
- Sh. Sunil Puri

###### III. Chief Financial Officer

- Sh. Parveen Kumar Gupta

###### IV. Company Secretary

- Mr. Lovlesh Verma

##### b) Close family members of Key Management Personnel

- Smt.Anjali Avasthi

##### c) Enterprises over which Key Management Personnel is able to exercise control

- Sobhagia Sales (P) Ltd.
- Namokar Capital Services Private Limited #
- Angel Finvest Private Limited #

##### d) Enterprises in which Key Management Personnel are able to exercise significant influence

- Sobhagia Clothing Co.
- Marvel Dyers & Processors Pvt Ltd.
- Raj Kumar Avasthi HUF

##### e) Employee Benefit Trust where control exists

- Sportking India Limited Employee Group Gratuity Trust

# No transaction has taken place during the current year and previous year

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

(Rs in Lakhs)

Particulars	Key Management Personnel		Close family member of Key Management Personnel		Enterprises over which Key Management Personnel is able to exercise control		Enterprises in which Key Management Personnel are able to exercise significant influence	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Expenditures #</b>								
Purchase of Goods and services	-	-	-	-	1959.13	9.40	499.17	2832.95
Interest Paid							-	84.05
Remuneration Paid (also refer footnote 1 below)	469.55	510.24	-	-			-	-
Director Sitting Fee	0.85	1.10		-			-	-
Lease Rent	9.86	9.86	6.00	6.00			4.80	4.80
<b>Incomes #</b>								
Sale of Goods and services	-	-	-	-	1143.89	3642.82	384.90	562.66
Rent Received	-	-	-	-	3.54	3.54	-	-
<b>Unsecured Loans</b>								
Opening Balance (also refer footnote 2 below)	100.00	100.00	-	-			-	-
Add: Received during the year	-	-	-	-			-	-
Less: Repaid during the year	-	-	-	-			-	-
Closing Balance	100.00	100.00	-	-			-	-
<b>Amount receivable/ (Payable) at the end of year</b>								
Sobhagia Sales (P) Ltd.					1080.23	3680.33		
Sobhagia Clothing Co.							713.01	1201.65
Marvel Dyers Pvt. Ltd.							(2.90)	-

# The transactions with related parties reported above are inclusive of indirect taxes, wherever applicable.

Contribution to Sportking India Limited Employee Group Gratuity Trust during the reporting period is Rs. Nil (Previous year Rs. 27.00 Lakhs)

## Transactions with Key Managerial Personnel

Particulars	(Rs in Lakhs)	
	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Short term employee benefits	467.59	508.51
Post-employment benefits (Refer footnote 1)	1.96	1.73
Rent Paid	9.86	9.86
Director's Sitting Fee	0.85	1.10

## Footnotes:-

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.

2. The Loan from directors in financial statements at note no. 14 is net of deferred interest of Rs 16.60 Lakhs (Previous year Rs Nil Lakhs)

## NOTE-42

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

	(Rs in Lakhs)				
	As at 1st April 2018	Movement during 2018-19	As at 31st March 2019	Movement during 2019-2020	As at 31st March 2020
<b>Deferred tax liability</b>					
Difference between written down value of Property Plant and Equipment as per books of account and Income tax	1288.00	444.00	1732.00	662.70	2394.70
Unamortized Processing charges	20.00	42.30	62.30	-15.00	47.30
<b>(A)</b>	<b>1308.00</b>	<b>486.30</b>	<b>1794.30</b>	<b>647.70</b>	<b>2442.00</b>
<b>Deferred tax Asset</b>					
Items deductible on payment basis under Income tax	249.00	23.30	272.30	101.70	374.00
Deferred Govt. Grant	-	-	-	128.00	128.00
Allowances for expected credit loss	-	-	-	2.00	2.00
<b>(B)</b>	<b>249.00</b>	<b>(23.30)</b>	<b>(272.30)</b>	<b>(231.70)</b>	<b>(504.00)</b>
<b>Deferred tax liability (Net) (A-B)</b>	<b>1059.00</b>	<b>463.00</b>	<b>1522.00</b>	<b>416.00</b>	<b>1938.00</b>

(b) Reconciliation of Deferred tax liabilities (Net)

Particulars	(Rs in Lakhs)	
	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Deferred tax liability at the beginning of the year	1522.00	1059.00
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	438.27	451.81
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	-22.27	11.19
<b>Deferred tax liability at the end of the year</b>	<b>1938.00</b>	<b>1522.00</b>

## (c) Tax Expense recognized

Particulars	(Rs in Lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>(a) Income tax recognized in Statement of Profit and loss</b>		
Current year (Net of MAT credit entitlement)	212.83	908.40
Current tax adjustment related to earlier years	-58.61	19.56
Deferred tax	438.27	451.81
<b>Income tax expense recognized in Statement of Profit and loss</b>	<b>592.49</b>	<b>1379.77</b>
<b>(b) Income tax recognized in other comprehensive income</b>		
Current tax	-	-
Deferred tax	(22.27)	11.19
<b>Income tax recognized in other comprehensive income</b>		
<b>Total Income tax expense recognized</b>	<b>570.22</b>	<b>1390.96</b>

## (d) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate

(Rs in Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Accounting profit before tax	1828.26	3781.80
Tax at statutory income tax rate of 34.944%	638.87	1321.51
Tax effect of adjustments to reconcile expected income tax expense with reported income tax expense		
Expenses disallowable under income tax	34.27	114.09
Expenses/deductions allowable under income tax	(106.00)	(89.92)
Others	61.69	25.72
Current tax adjustment related to earlier years	-58.61	19.56
Income tax expense	570.22	1390.96

## NOTE-43

## Disclosures on 'Employee Benefits'

**(a) Defined Contribution Plan**

The Company makes Contribution to Provident fund for eligible employees under the scheme and recognise as expense which is included in the Note 31 "Employee Benefit Expense" to the financial statements under the head "Contribution to provident and other funds". The details of same are as under:

(Rs in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Provident fund administered through Regional Provident Fund Commissioner	474.10	371.01

Note: The Company had capitalized the amount of Rs. Nil during the current financial year out of the above total contribution (Previous Year Rs. 9.22 Lakhs)

**(b) Defined benefit Plan****Gratuity:**

The defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust and the contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Law. The liability for employee gratuity is determined on actuarial valuation using projected unit credit method.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

**(i) Investment risk**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**(ii) Salary risk**

The present value of defined benefit plan is calculated with the assumption of salary increase, rate of plan, participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**(iii) Interest risk**

The plan exposes the company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

**(iv) Longevity risk**

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

The Following table set out the funded status of the gratuity plan and amounts recognised in the balance sheet and other disclosures as required under Ind AS 19 'Employee benefits':

**(a) Movement in the present value of the obligations:**

Particulars	(Rs in Lakhs)	
	For the year ended 31 <sup>st</sup> March,2020	For the year ended 31 <sup>st</sup> March,2019
Present value obligation as at beginning of the year	709.07	624.86
Interest cost	54.71	48.70
Current Service cost	196.77	155.96
Benefits Paid	(75.76)	(83.35)
Actuarial (gain)/ loss on Obligation	58.36	(37.10)
<b>Present value obligation as at end of the year</b>	<b>943.15</b>	<b>709.07</b>

**(b) Movement in Fair Value of Plan Asset**

Particulars	(Rs in Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March,2019
Fair value of Plan Assets as at beginning of the year	152.99	122.38
Interest Income	11.81	9.46
Contributions	-	27.00
Benefits Paid	(2.26)	(0.76)
Remeasurement- Return on plan assets excluding amount included in interest income	(5.38)	(5.09)
<b>Fair value of Plan Assets as at end of the year</b>	<b>157.16</b>	<b>152.99</b>

## c) Amount recognized in the Balance Sheet:

(Rs in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present value obligation as at end of the year	943.15	709.07
Fair value of Plan Assets as at end of the year	157.16	152.99
Surplus/(Deficit)	(785.99)	(556.08)
Effect of asset ceiling if any	-	-
Net Asset/(Liability) recognized in balance sheet	(785.99)	(556.08)

The above liability includes short term liability of Rs. 48.42 Lakhs (previous year Rs. 40.26 Lakhs)

## (d) Amount recognized in Statement of Profit and Loss:

(Rs in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Current service cost	196.77	155.96
Net Interest on net defined benefit liability / (asset)	42.91	39.24
	<b>239.68</b>	<b>195.20</b>
Total Expense recognized in statement of Profit and Loss		

The above amount has been included in Note 31 "Employee Benefit Expenses" under the head "Salaries and Wages" in the statement of Profit and Loss.

## (e) Amount recognized in Other Comprehensive Income:

(Rs in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Actuarial (gain)/loss for the year on Obligation	58.36	(37.10)
Remeasurement- Return on plan assets (excluding amount included in net Interest on net defined benefit liability/(asset))	5.38	5.09
<b>Expense/(Income) recognized in Other Comprehensive Income</b>	<b>63.74</b>	<b>(32.01)</b>
<b>Bifurcation of Actuarial Gain/Loss on obligation</b>		
1. Actuarial changes arising from changes in demographic assumptions (Gain/ (Loss))	0.03	(6.85)
2. Actuarial changes arising from changes in financial assumptions (Gain/ (Loss))	109.32	9.05
3. Actuarial changes arising from changes in experience adjustments (Gain/ (Loss))	(50.99)	(39.30)

## (f) Investment details of Fund :

(Rs in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Funds Managed by Insurer	157.16	152.99
<b>TOTAL</b>	<b>157.16</b>	<b>152.99</b>

**(g) Principal actuarial assumption at the balance sheet date**

Particulars	(Rs in Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Discount Rate (per annum)	6.85%	7.70%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Expected Average remaining working lives of employees (years)	27.71	28.14
Mortality rate	100% of IALM (2012 - 14)	100% of ALM (2006-08)
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) Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity is computed by varying one actuarial assumption used for valuation of defined benefit obligation by 1.00% keeping all other actuarial assumptions constant. There is no change from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

The quantitative sensitivity analysis on net liability recognized on account of change in significant actuarial assumptions is as hereunder:

Particulars	(Rs in Lakhs)	
	Increase/(Decrease) in liability	
	As at 31.03.2020	As at 31.03.2019
<b>Discount Rate</b>		
1.00% Increase	(126.56)	(89.49)
1.00% decrease	157.79	110.57
<b>Salary Growth Rate</b>		
1.00% Increase	154.25	108.88
1.00% decrease	(126.61)	(90.07)

(i) The expected cash flows in future years are as under:

Particulars	(Rs in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Within 1 year	48.42	40.27
2-5 years	152.51	137.42
6-10 years	303.27	235.19
Beyond 10 years	2959.48	2512.04
Total expected payments	<b>3463.68</b>	<b>2924.92</b>

(j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.00 years (Previous Year: 15.00 years).

(k) The expected contribution to the trust during the next year is Rs. 1060.43 Lakhs (Previous Year Rs. 765.96 Lakhs)

**(c) Other long-term employee benefit**

Amount recognized towards leave encashment in statement of profit and loss in Note no. 31 "Employee Benefit Expense" under the head "salaries and wages" is Rs. 97.04 Lakhs (previous year Rs. 44.36 Lakhs)



Liability towards leave encashment as at the end of the year is as under:

Particulars	(Rs in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
Current liability	19.41	16.32
Non-current liability	258.15	199.52

#### NOTE-44

##### 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 is not subject to any externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt (net of cash and cash equivalents) divided by total equity. The Company's gearing ratio was as follows:

Particulars	(Rs in Lakhs)	
	Year ended 31.03.2020	Year ended 31.03.2019
Non-current borrowings	28105.75	20376.64
Less: Cash and cash equivalents	158.93	67.93
<b>Net debt (A)</b>	<b>27946.82</b>	<b>20308.71</b>
<b>Total Equity (B)</b>	<b>25206.43</b>	<b>24006.01</b>
<b>Gearing ratio (A/B)</b>	<b>1.11</b>	<b>0.85</b>

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31<sup>st</sup> March 2020.

There were no changes in the objectives, policies or processes for managing capital from prior years.

## NOTE 45

## (a) Financial Instruments by Category

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

(Rs in Lakhs)

Particulars	At Amortized cost	At fair value through profit or loss (Mandatory)	At fair value through OCI (Mandatory)	Total carrying value	Total Fair value
<b>As at 31st March 2020</b>					
<b>Assets:</b>					
Trade receivables (Refer Note 7)	17734.78	-	-	17734.78	17734.78
Cash and Cash Equivalents (Refer Note 8)	158.93	-	-	158.93	158.93
Other bank balances (Refer Note 9)	0.00	-	-	0.00	0.00
Other financial assets (Refer Note 4 & 10)	111.60	347.20	-	458.80	458.80
<b>Total</b>	<b>18005.31</b>	<b>347.20</b>	<b>-</b>	<b>18352.51</b>	<b>18352.51</b>
<b>Liabilities:</b>					
Borrowings including current maturities (Refer Note 14,19 & 22)	57219.23	0.00	0.00	57219.23	57219.23
Trade Payables (Refer Note 20)	7611.97	0.00	0.00	7611.97	7611.97
Lease liabilities (Refer Note 15 & 21)	48.96	0.00	0.00	48.96	48.96
Other financial liabilities (Refer Note 22)	2910.86	0.00	0.00	2910.86	2910.86
<b>Total</b>	<b>67791.02</b>	<b>-</b>	<b>-</b>	<b>67791.02</b>	<b>67791.02</b>
<b>As at 31st March 2019</b>					
<b>Assets:</b>					
Trade receivables (Refer Note 7)	19389.43	-	-	19389.43	19389.43
Cash and Cash Equivalents (Refer Note 8)	67.93	-	-	67.93	67.93
Other bank balances (Refer Note 9)	821.08	-	-	821.08	821.08
Other financial assets (Refer Note 4 & 10)	4.89	-	-	4.89	4.89
<b>Total</b>	<b>20283.33</b>	<b>-</b>	<b>-</b>	<b>20283.33</b>	<b>20283.33</b>
<b>Liabilities:</b>					
Borrowings including current maturities (Refer Note 14,19 & 22)	50462.89	0.00	0.00	50462.89	50462.89
Trade Payables (Refer Note 20)	17087.17	0.00	0.00	17087.17	17087.17
Lease liabilities (Refer Note 15 & 21)	0.00	0.00	0.00	0.00	0.00
Other financial liabilities (Refer Note 22)	15529.27	184.14	0.00	15713.41	15713.41
<b>Total</b>	<b>83079.33</b>	<b>184.14</b>	<b>-</b>	<b>83263.47</b>	<b>83263.47</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).

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

Particulars	Fair Value	Level 1	Level 2	Level 3
<b>As at 31st March 2020</b>				
<b>Other financial assets (current)</b>				
-Derivative financial instruments	347.20	0.00	347.20	0.00
<b>As at 31st March 2019</b>				
<b>Other financial liabilities (current)</b>				
-Derivative financial instruments	184.14	0.00	184.14	0.00

**NOTE-46****Financial Risk Management**

The principal financial assets of the Company include trade and other receivables, loans and advances 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 (including currency risk, interest rate risk and other price 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 48% 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 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 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>a) Exposure on account of Financial Assets</b>		
<b>Trade receivables (A)</b>		
-In USD	72.56	60.68
-In Euro	-	-
-In CHF	-	-
<b>Amount hedged through forwards(B)</b>		
-In USD	33.50	31.98
-In Euro	-	-
-In CHF	-	-
<b>Net Exposure to Foreign Currency Assets (C=A-B)</b>		
-In USD	39.06	28.70
-In Euro	-	-
-In CHF	-	-
<b>b) Exposure on account of Financial Liabilities</b>		
<b>Borrowings, Trade and other Payables (D)</b>		
-In USD	404.79	343.88
-In Euro	-	58.52
-In CHF	-	3.38
<b>Amount Hedged through forwards (E)</b>		
-In USD	404.79	285.96
-In Euro	-	58.52
-In CHF	-	3.38
<b>Net Exposure to Foreign Currency Liabilities (F=D-E)</b>		
-In USD	-	57.92
-In Euro	-	-
-In CHF	-	-
<b>Net Exposure to Foreign Currency (F-C)</b>		
-In USD	-39.06	29.22
-In Euro	-	-
-In CHF	-	-

The following significant exchange rates applied during the year:

Particulars	2019-2020 (Average exchange rate)	2018-19 (Average exchange rate)	2019-2020 (Year end rates)	2018-19 (Year end rates))
INR/USD	70.87307	69.89	75.6650	69.16
INR/EURO	78.78151	80.92	83.0250	77.68
INR/CHF	71.87927	70.56	78.5225	69.43
INR/GBP	90.13474	91.71	94.1625	90.51
INR/JPY	0.69	0.62	0.69	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:

Particulars	(Rs in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
10% Strengthening/ weakening of USD against INR	295.55	202.10
10% Strengthening/ weakening of Euro against INR	-	-
10% Strengthening/ weakening of CHF against INR	-	-

**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:

Particulars	(Rs in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>Variable Rate Instruments</b>		
Borrowings (Non-current) (inclusive of current maturities)	26854.65	19812.20
Borrowings (Current)	21237.37	21468.73
<b>Total variable rate Borrowings</b>	<b>48092.02</b>	<b>41280.93</b>

Particulars	(Rs. in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>Fixed Rate Instruments</b>		
Borrowings (Non-current) (inclusive of current maturities)	46.50	24.10
Borrowings (Current)	7876.10	8617.52
<b>Total fixed rate Borrowings</b>	<b>7922.60</b>	<b>8641.62</b>

**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	(Rs in Lakhs)	
	31st March 2020	31st March 2019
<b>Increase/ (decrease) in 100 basis point</b>	480.92	412.81

**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 table below analyses the company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities.

(Rs in Lakhs)		
Particulars	As at 31st March 2020	As at 31st March 2019
<b>Borrowings from Banks</b>		
Not later than one year	32226.95	35730.77
Later than one year and not later than five year	18406.04	12441.78
Later than five years	5381.63	1750.00
<b>Trade Payables</b>		
Not later than one year	7611.97	17087.17
Later than one year and not later than five year	-	-
Later than five years	-	-
<b>Other Financial liabilities</b>		
Not later than one year	2959.82	15529.27
Later than one year and not later than five year	-	-
Later than five years	-	-
<b>Total financial liabilities</b>		
Not later than one year	42798.74	68347.21
Later than one year and not later than five year	18406.04	12441.78
Later than five years	5381.63	1750.00

Financial assets	As at 31st March 2020	As at 31st March 2019
<b>Trade receivable</b>		
Not later than one year	17734.78	19389.43
Later than one year and not later than five year	-	-
Later than five years	-	-
<b>Cash and cash equivalents</b>		
Not later than one year	158.93	67.93
Later than one year and not later than five year	-	-
Later than five years	-	-
<b>Other financial assets</b>		
Not later than one year	4.89	825.97
Later than one year and not later than five year	-	-
Later than five years	106.71	-

In addition to above financial assets, the company has inventories of Rs 21131.75 Lakhs as on 31st March 2020 `Rs. 30965.13 Lakhs as on 31 March 2019) which can be realized to meet its financial obligations.

### (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 credit loss 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 in case of trade receivables:

(Rs in Lakhs)		
Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>(a) Revenue from top five customers</b>		
- Amount of sales (In Lakhs)	31704.32	27146.94
-% of total sales	23.59	23.58
<b>(b) Allowance for expected credit losses</b>		
-Balance at the beginning of the period	-	-
-Recognized during the year	6.20	-
-Amount written off/ reversed during the year	-	-
-Balance at the end of the period	6.20	-

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 7.

#### Write off policy

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

#### NOTE-47

##### Assets pledged as Security:-

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

(Rs in Lakhs)		
Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade receivables	9858.67	10771.91
<b>Non-Financial Assets</b>		
Inventory	21131.75	30965.13
<b>Total Current Assets Pledged as Security (A)</b>	<b>30990.42</b>	<b>41737.04</b>
<b>Non Current Assets</b>		
Property Plant and Equipment	46575.35	47008.80
<b>Total Non Current Assets Pledged as Security (B)</b>	<b>46575.35</b>	<b>47008.80</b>
<b>Total Assets Pledged as Security (A+B)</b>	<b>77565.77</b>	<b>88745.84</b>

#### NOTE - 48

- The trade receivables include Rs. 1080.23 Lakhs (previous year `Rs. 3680.33 Lakhs) due from the firms and private companies in which any director is a partner or a director or a member.
- The advances to suppliers include Rs. 713.01 Lakhs (previous year Rs. 1201.65 Lakhs) due from the firms and private companies in which any director is a partner or a director or a member.
- The trade payables include Rs. 2.90 Lakhs (previous year Rs. Nil) due to the firms and private companies in which any director is a partner or a director or a member.

#### NOTE -49

##### Segment Reporting

The Company is primarily in the business of manufacturing, purchase and sale of textiles. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

**Geographical Information:**

The Company is domiciled in India. The company operates in two principle geographical areas i.e. India and outside India:

(Rs in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Within India	70153.27	59318.10
Outside India	64038.25	55757.47
<b>Total Revenue</b>	<b>134191.52</b>	<b>115075.57</b>

The Company's revenue from operations from external customers by location of the customers is as follows:

Name of Country	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
India	70153.27	59318.10
Bangladesh	34531.36	28408.23
China	8240.09	7112.31
Pakistan	3171.43	3746.75
Hong Kong	2517.74	1431.02
Singapore	1878.51	1888.08
Egypt	1479.16	340.43
Dominican Republic	1071.91	673.72
Brazil	973.61	1316.68
Germany	764.63	65.05
Italy	574.42	637.56
Mauritius	553.68	877.91
Others	8281.71	9259.73
<b>Total</b>	<b>134191.52</b>	<b>115075.57</b>

The transactions with any single external customer do not exceed 10% of the company's total revenue during the year ended 31 March 2020 and 31 March 2019.

The company has business operations only in India and does not hold any non-current asset outside India.

**NOTE -50**

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 Rs. 28.52 Lakhs (previous year Rs. 13.37 Lakhs) towards approved Corporate Social Responsibility (CSR) activities. The unspent amount as at reporting date is Rs. 67.78 Lakhs (Previous year Rs. 42.63 Lakhs.)



## NOTE- 51

**Disclosure under Ind AS 115 " Revenue from Contracts with Customers"****i. Disaggregation of revenue**

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 by offerings and contract-type.

(Rs in Lakhs)

## (a) Types of goods

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Yarn	119417.47	105445.70
Waste	12755.95	8819.40
Cotton and Synthetic Fibre	2018.10	810.47
<b>Total</b>	<b>134191.52</b>	<b>115075.57</b>

## (b) Total Revenue from Contracts with Customers

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from Customers based in India	70153.27	59318.10
Revenue from Customers based outside India	64038.25	55757.47
<b>Total</b>	<b>134191.52</b>	<b>115075.57</b>

## (c) Timing of Revenue Recognition

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from goods transferred to customers at a point in time	134191.52	115075.57
Revenue from goods transferred to customers over time	-	-
<b>Total</b>	<b>134191.52</b>	<b>115075.57</b>

## (d) Export Benefit are in the nature of government grants covering following benefits

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Duty draw back	1063.51	706.96
MEIS	49.77	76.60
<b>Total</b>	<b>1113.28</b>	<b>783.56</b>

**(ii) Trade receivables and Contract Balances**

The company classifies the right to consideration that are unconditional in exchange for deliverables as receivable. Trade receivables are presented net of impairment in balance sheet.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 7 and 24 respectively.

The revenue recognised during the year ended 31<sup>st</sup> March 2020 includes revenue against advances from customers amounting to Rs. 113.39 Lakhs (Previous Year Rs. 153.39 Lakhs) at the beginning of the year.

**(iii) Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020 is Nil (previous year Nil).

## NOTE- 52

## Reconciliation of Cash flow from borrowings from banks:

(Rs in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2020		Year ended 31 <sup>st</sup> March 2019	
	Current Borrowings	Non current Borrowings (incl. current maturities)	Current Borrowings	Non current Borrowings (incl. current maturities)
Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	30086.24	19836.30	26211.23	21138.89
Changes during the year				
a) Changes from financing cash flow	-1909.86	6891.16	4272.85	(1302.59)
b) the effect of changes in foreign exchanges rates- (Gain)/Loss	937.10	607.57	(397.84)	-
c) Changes in fair value	-	-	-	-
d) Other Changes	-	173.69	-	-
<b>Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement</b>	<b>29113.48</b>	<b>27508.72</b>	<b>30086.24</b>	<b>19836.30</b>

## NOTE- 53

The borrowing cost amounting to Nil has been capitalized during the year (previous year Rs. 262.43 Lakhs)

## NOTE - 54

The previous year figures have been reclassified wherever necessary to confirm with current year classification.

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)

**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: June 29, 2020

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

**Lovlesh Verma**  
Company Secretary

**SPORTKING INDIA LIMITED**  
**CIN :L17122DL1989PLC035050**  
**Registered Office: 5/69, Guru Mansion (First Floor) Padam Singh Road,**  
**Karol Bagh, New Delhi-110005, E-mail: cs@sporking.co.in, Website: www.sporking.co.in**  
**ATTENDANCE SLIP**

Ref. Folio/DP/ & Client No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

Member's/Proxy's Name in Block Letter \_\_\_\_\_

I/We certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the company held on Saturday, 26th day of December, 2020 at 2.00 P.M. at its Registered Office at 5/69, Guru Mansion (First Floor) Padam Singh Road, Karol Bagh, New Delhi-110005.

Name of the Shareholder/Proxy  
(In Block Letter)

Signature of the Shareholder/Proxy

**Note:** 1) Please fill the attendance slip and hand it over at the entrance of meeting venue. Joint shareholders may obtain additional attendance slip on request.

2) Please read instructions given at Note No. 12 of the Notice of 31<sup>st</sup> Annual General Meeting, carefully before voting electronically.

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**Form No. MGT-11**  
**SPORTKING INDIA LIMITED**  
**CIN: L17122DL1989PLC035050**  
**Registered Office: 5/69, Guru Mansion (First Floor) Padam Singh Road,**  
**Karol Bagh, New Delhi-110005, E-mail: cs@sporking.co.in, Website: www.sporking.co.in**  
**PROXY FORM**

**(Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014**

Name of the member (s) : \_\_\_\_\_

Registered Address: \_\_\_\_\_

Folio No./DP & Client Id: \_\_\_\_\_

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

1. Name & Address \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

2. Name & Address \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

3. Name & Address \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her as

my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the company, to be held Saturday, 26th day of December, 2020 at 2.00 P.M. at its Registered Office at 5/69, Guru Mansion (First Floor) Padam Singh Road, Karol Bagh, New Delhi-110005 and at any adjournment thereof in respect of the following resolutions as are indicated below:-

S. No	Resolution
	<b>ORDINARY BUSINESS</b>
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, including the Audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and the Reports of Directors and Auditors thereon
2.	To appoint a Director in place of Mr. Munish Avasthi (DIN: 00442425), who retires by rotation and being eligible, offers himself for re- appointment.
	<b>SPECIAL BUSINESS</b>
3.	Ratification of the remuneration of the Cost Auditors for Financial Year 2020-21.
4.	Regularization of the appointment of Mrs. Harpreet Kaur Kang (DIN: 03049487) as an Independent Director of the Company for a first term of consecutive five years.
5.	Re-appointment of Mr. Prashant Kochhar (DIN: 07298730) as an Independent Director of the company for a second term of consecutive five years.
6.	Shifting of Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Punjab
7.	Payment of Remuneration to Mr. Raj Kumar Avasthi (DIN: 01041890), Managing Director of the company.
8.	Payment of Remuneration to Mr. Munish Avasthi (DIN: 00442425), Managing Director of the Company.
9.	Payment of Remuneration to Mr. Naresh Kumar Jain (DIN: 00254045), Whole Time Director of the Company.
10	Create, offer, issue and allot 5% Non-Cumulative Non-Convertible Redeemable Preference Shares on Private Placement Basis.

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. Incomplete Proxy form will not be accepted.

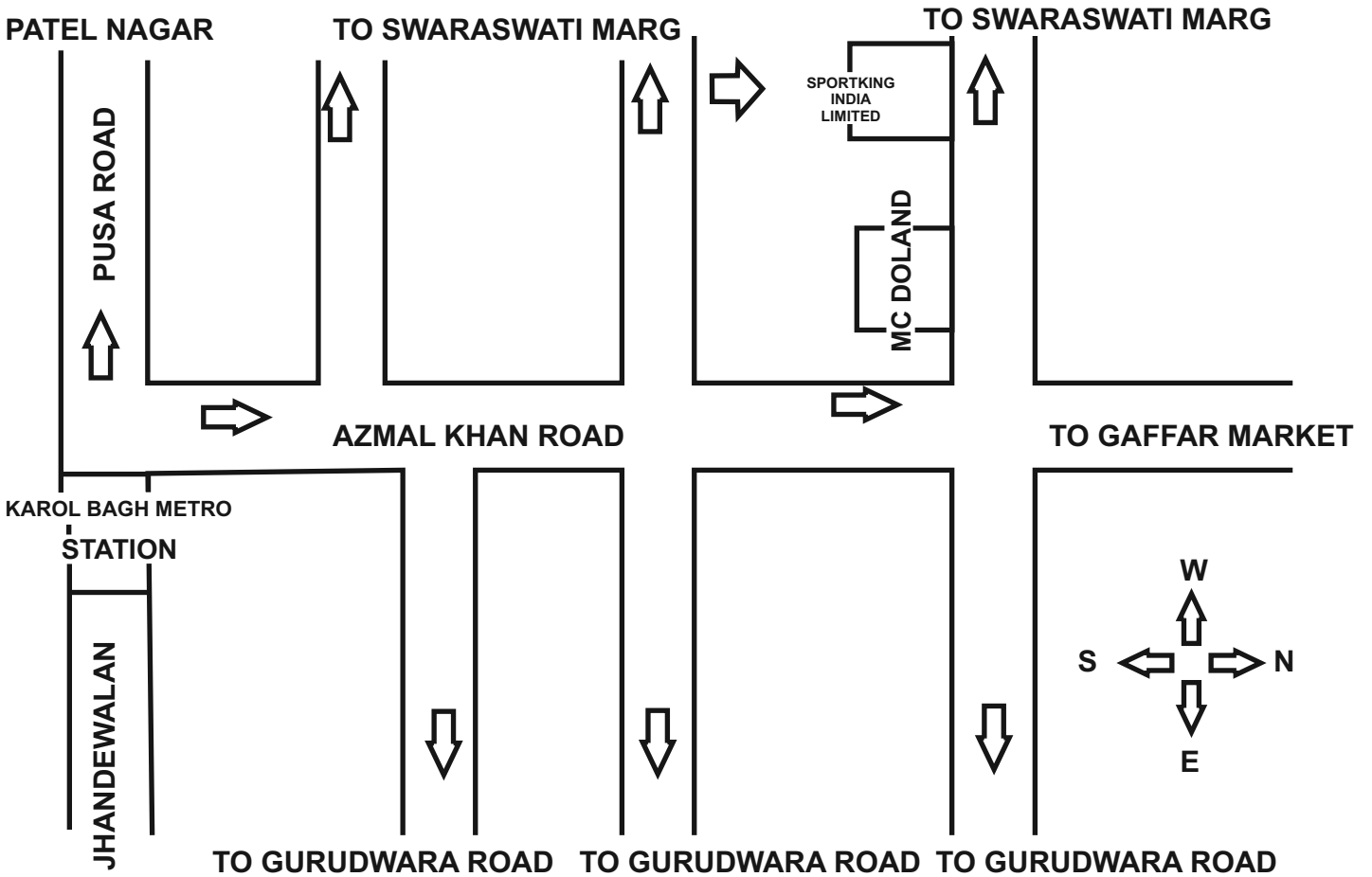
Signed this \_\_\_\_ day of \_\_\_\_\_ 2020

**Signature of the proxy holder**

**Signature of shareholder**

Affix Revenue Stamp of Rs. 1/-
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**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](mailto:cs@sportking.co.in)*

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

BOOK POST  
(PRINTED MATTER)

# 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