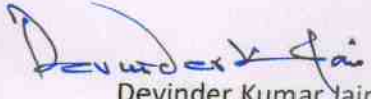

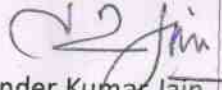


## FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

| No. | Particulars   | Details   |
|-----|---|---|
| 1.  | Name of the Company                                       | Cosco (India) Limited   |
| 2.  | Annual standalone financial statements for the year ended | 31 <sup>st</sup> March, 2014  |
| 3.  | Type of Audit observation                                 | Un-qualified  |
| 4.  | Frequency of observation                                  | N.A   |
| 5.  | To be signed by -   |   |
|     | Chairman cum Managing Director                            | <br>Devinder Kumar Jain<br>DIN: 00191539   |
|     | CFO   | No CFO Appointed for the year ended 31.03.2014  |
|     | Auditors of the Company                                   | Refer our Audit Report dated 30 <sup>th</sup> May, 2014 On the standalone financial statements of the Company<br>Madan & Associates<br>Chartered Accountant<br>Firm's Reg. No. 000185N<br><br>M. K. Madan<br>(Proprietor)<br>M. No. 082214 |
|     | Audit Committee Chairman                                  | <br>Vijender Kumar Jain<br>(DIN:06423328)  |

35<sup>th</sup> Annual Report

2013-2014



**SPORTS | FITNESS**

**COSCO (INDIA) LIMITED**

**BOARD OF DIRECTORS**

DEVINDER KUMAR JAIN  
NARINDER KUMAR JAIN  
DARSHAN KUMAR JAIN  
PANKAJ JAIN  
MANISH JAIN  
ARUN JAIN  
NEERAJ JAIN  
JOGINDER PAUL JAIN  
MOHAN LAL MANGLA  
M. P. GUPTA  
SUNIL JAIN  
GULSHAN RAI JAIN  
VIJAY KUMAR SOOD  
VIJENDER KUMAR JAIN

CHAIRMAN CUM MANAGING DIRECTOR  
MANAGING DIRECTOR  
WHOLE TIME DIRECTOR  
WHOLE TIME DIRECTOR  
WHOLE TIME DIRECTOR  
WHOLE TIME DIRECTOR  
WHOLE TIME DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR

**REGISTERED OFFICE**

COSCO (INDIA) LIMITED  
(CIN: L25199DL1980PLC010173)  
2/8, ROOP NAGAR,  
DELHI – 110 007  
Website: [www.cosco.in](http://www.cosco.in)  
E-mail: [mail@cosco.in](mailto:mail@cosco.in)

**BRANCH OFFICES**

- | 244, BASTI GUZAN, NEAR BABRIK CHOWK, JALANDHAR - 144 002 (PUNJAB)
- | SHOP NO. 10 TO 15, 22 & 32, LAXMI NARAYAN COMPLEX, PLOT NO. 3 & 3A, SECTOR-12A, KOPERKHAIRNE, VASHI, NAVI MUMBAI – 400 079 (MAHARASHTRA)
- | E-8, SECTOR-6, NOIDA – 201 301 (U.P.)

**WORKS**

1688-2/31, RAILWAY ROAD  
NEAR RAILWAY STATION  
GURGAON – 122 001 (HARYANA)  
E-mail: [gurgaon@cosco.in](mailto:gurgaon@cosco.in)

**AUDITORS**

M/S MADAN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FLAT NO. 1003, 10TH FLOOR  
KAILASH BUILDING, K. G. MARG  
NEW DELHI – 110 001

**BANKERS**

BANK OF INDIA

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**COSCO (INDIA) LIMITED** (CIN: L25199DL1980PLC010173)  
Registered Office: 2/8, Roop Nagar, Delhi-110007  
Website: www.cosco.in; Email: mail@cosco.in; Tel: 91-11-23843000; Fax: 91-11-23846000

#### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty-Fifth Annual General Meeting of the Members of Cosco (India) Limited (CIN: L25199DL1980PLC010173) will be held on Tuesday, the 30th September, 2014 at 10.30 A.M. at AMITABH, E – 23, 2nd Floor, Bungalow Road, Kamla Nagar, Delhi – 110 007 to transact the following business: -

#### **ORDINARY BUSINESS**

##### **Item 1**

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, Statement of Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' thereon.

##### **Item 2**

To appoint a Director in place of Shri Darshan Kumar Jain (DIN: 00195789), who retires by rotation and, being eligible, offers himself for re-appointment.

##### **Item 3**

To appoint a Director in place of Shri Manish Jain (DIN: 00191593), who retires by rotation and, being eligible offers himself for re-appointment.

##### **Item 4**

To appoint Auditors and authorize Board of Directors to fix their remuneration and in this regard to consider, and if thought fit, to pass, the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder M/s. Madan & Associates, Chartered Accountants (Firm Registration No. 000185N), the retiring Auditors of the Company, be and are hereby reappointed as Auditors of the Company for term of Three (3) consecutive years, to hold office from the conclusion of this being the Thirty Fifth Annual General Meeting until the conclusion of the Thirty Eighth Annual General Meeting subject to ratification of the Appointment by the members at every Annual General Meeting of the Company and the Board of Directors be and are hereby authorized to fix their remuneration as may be recommended by Audit Committee in consultation with the Auditors."

#### **SPECIAL BUSINESS**

##### **Item 5**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the Company, be and is hereby accorded to the reappointment of Shri Arun Jain (DIN: 01054316) as Whole time Director of the Company in the whole time employment of the Company for a period of Three (3) years with effect from 1st October 2014 as per the terms, conditions and remuneration set forth herein.

#### **Remuneration**

##### **i. Salary**

₹ 1,30,000 per month w.e.f. 01.04.2014 for the current year ending 31st March 2015 and ₹ 1,50,000 per month w.e.f. 01.04.2015 with annual increment of ₹ 20,000 per month.

##### **ii. House Rent allowance**

50% of Salary.

#### **Perquisites**

Shri Arun Jain shall also be eligible to the following perquisites:

#### **Part A:** (Not to be included in ceiling on remuneration):

##### **i. Contribution to Provident Fund, Superannuation or Annuity Fund**



Contribution to Provident Fund, Superannuation or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act including any statutory modification(s) or re-enactment thereof

ii. Gratuity

Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

iii. Leave encashment

As permissible under The Companies Act 2013 and Schedule V and Rules framed thereunder

**Part B :** (To be included in ceiling on remuneration):

i. Furniture & Furnishing

The Company will provide furniture and furnishing for the residential accommodation subject to ceiling of ₹ 1 lac per annum.

ii. Medical & Hospitalization

Actual Medical expenses including hospitalization for self and dependent members of family.

iii. Accident Insurance Premium

Annual premium subject to ceiling of ₹ 10,000 per annum.

iv. Leave Travel Concession

For self and family as permissible in the Income Tax Act and Rules.

v. Car with Driver

Shall be provided for use for Company's Business. In case driver is not provided then the Company shall reimburse the actual expenses incurred by the Director for engaging a driver.

vi. Telephone (s)

Telephone(s) shall be provided at the residence for the benefit of Company's business, the cost of which shall be borne/paid by the Company. Mobile Phone (s) to be provided for Company's business use.

vii. Club(s) Fees & Expenses

Fees and expenses for self and family subject to a maximum of ₹ 50,000 per annum.

The perquisite value of above perquisites if so specified, shall be computed as per provisions of the Companies Act, 2013 read with Rules framed there under. Otherwise the same shall be taken as per Income Tax Act and Rules/Company Rules / other applicable Statutory provisions in force from time to time as the case may be.

Explanation: Family means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT in the event of inadequacy or absence of Profit in any financial year, the remuneration payable to Shri Arun Jain shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any statutory amendment/modification thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) in the Companies Act, 2013 and/or Schedule V of the Companies Act, 2013, the Board of Directors and/or Committee thereof be and is hereby authorized to alter and vary and/or restructure the remuneration including the Salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further Resolution or consent or reference to the members in General Meeting, subject however to the provisions of Section 197 of the Companies Act, 2013 and subject further to the same falling within the powers of the Nomination and Remuneration Committee and Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

**Item 6**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the Company, be and is hereby accorded to the reappointment of Shri Manish Jain (DIN: 00191593) as Whole time Director of the

Company in the whole time employment of the Company for a period of Three (3) years with effect from 1st October 2014 as per the terms, conditions and remuneration set forth herein.

**Remuneration**

- i. Salary  
₹ 1,30,000 per month w.e.f. 01.04.2014 for the current year ending 31st March 2015 and ₹ 1,50,000 per month w.e.f. 01.04.2015 with annual increment of ₹ 20,000 per month.
- ii. House Rent allowance  
50% of Salary.

**Perquisites**

Shri Manish Jain shall also be eligible to the following perquisites:

**Part A :** (Not to be included in ceiling on remuneration):

- i. Contribution to Provident Fund, Superannuation or Annuity Fund  
Contribution to Provident Fund, Superannuation or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act (including any statutory modification(s) or re-enactment thereof
- ii. Gratuity  
Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- iii. Leave encashment  
As permissible under The Companies Act 2013 and Schedule V and Rules framed thereunder

**Part B :** (To be included in ceiling on remuneration):

- i. Furniture & Furnishing  
The Company will provide furniture and furnishing for the residential accommodation subject to ceiling of ₹ 1 lac per annum.
- ii. Medical & Hospitalization  
Actual Medical expenses including hospitalization for self and dependent members of family.
- iii. Accident Insurance Premium  
Annual premium subject to ceiling of ₹ 10,000 per annum.
- iv. Leave Travel Concession  
For self and family as permissible in the Income Tax Act and Rules.
- v. Car with Driver  
Shall be provided for use for Company's Business. In case driver is not provided then the Company shall reimburse the actual expenses incurred by the Director for engaging a driver.
- vi. Telephone(s)  
Telephone(s) shall be provided at the residence for the benefit of Company's business, the cost of which shall be borne/paid by the Company. Mobile Phone (s) to be provided for Company's business use.
- vii. Club(s) Fees & Expenses  
Fees and expenses for self and family subject to a maximum of ₹ 50,000 per annum.

The perquisite value of above perquisites if so specified, shall be computed as per provisions of the Companies Act, 2013 read with Rules framed there under. Otherwise the same shall be taken as per Income Tax Act and Rules/Company Rules / other applicable Statutory provisions in force from time to time as the case may be.

Explanation: Family means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT in the event of inadequacy or absence of Profit in any financial year, the remuneration payable to Shri Manish Jain shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any statutory



amendment/modification thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) in the Companies Act, 2013 and/or Schedule V of the Companies Act, 2013, the Board of Directors and/or Committee thereof be and is hereby authorized to alter and vary and/or restructure the remuneration including the Salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further Resolution or consent or reference to the members in General Meeting, subject however to the provisions of Section 197 of the Companies Act, 2013 and subject further to the same falling within the powers of the Nomination and Remuneration Committee and Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

#### Item 7

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the Company, be and is hereby accorded to the reappointment of Shri Pankaj Jain (DIN: 00190414) as Whole time Director of the Company in the whole time employment of the Company for a period of Three (3) years with effect from 1st October 2014 as per the terms, conditions and remuneration set forth herein.

#### Remuneration

i. Salary

₹ 1,30,000 per month w.e.f. 01.04.2014 for the current year ending 31st March 2015 and ₹ 1,50,000 per month w.e.f. 01.04.2015 with annual increment of ₹ 20,000 per month.

ii. House Rent allowance

50% of Salary.

#### Perquisites

Shri Pankaj Jain shall also be eligible to the following perquisites:

#### Part A : (Not to be included in ceiling on remuneration):

i. Contribution to Provident Fund, Superannuation or Annuity Fund

Contribution to Provident Fund, Superannuation or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act (including any statutory modification(s) or re-enactment thereof

ii. Gratuity

Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

iii. Leave encashment

As permissible under The Companies Act 2013 and Schedule V and Rules framed thereunder

#### Part B : (To be included in ceiling on remuneration):

i. Furniture & Furnishing

The Company will provide furniture and furnishing for the residential accommodation subject to ceiling of ₹ 1 lac per annum.

ii. Medical & Hospitalization

Actual Medical expenses including hospitalization for self and dependent members of family.

iii. Accident Insurance Premium

Annual premium subject to ceiling of ₹ 10,000 per annum.

iv. Leave Travel Concession

For self and family as permissible in the Income Tax Act and Rules.

v. Car with Driver

Shall be provided for use for Company's Business. In case driver is not provided then the Company shall reimburse the actual expenses incurred by the Director for engaging a driver.

vi. Telephone(s)

Telephone(s) shall be provided at the residence for the benefit of Company's business, the cost of which shall be borne/paid by the Company. Mobile Phone (s) to be provided for Company's business use.

vii Club(s) Fees & Expenses

Fees and expenses for self and family subject to a maximum of ₹ 50,000 per annum.

The perquisite value of above perquisites if so specified, shall be computed as per provisions of the Companies Act, 2013 read with Rules framed there under. Otherwise the same shall be taken as per Income Tax Act and Rules/Company Rules / other applicable Statutory provisions in force from time to time as the case may be.

Explanation: Family means the spouse , the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT in the event of inadequacy or absence of Profit in any financial year, the remuneration payable to Shri Pankaj Jain shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any statutory amendment/modification thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) in the Companies Act,2013 and/or Schedule V of the Companies Act, 2013, the Board of Directors and/or Committee thereof be and is hereby authorized to alter and vary and/or restructure the remuneration including the Salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further Resolution or consent or reference to the members in General Meeting, subject however to the provisions of Section 197 of the Companies Act, 2013 and subject further to the same falling within the powers of the Nomination and Remuneration Committee and Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

#### Item 8

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the Company, be and is hereby accorded to the reappointment of Shri Neeraj Jain (DIN: 00190592) as Whole time Director of the Company in the whole time employment of the Company for a period of Three (3) years with effect from 1st October 2014 as per the terms, conditions and remuneration set forth herein.

#### Remuneration

i. Salary

₹ 1,30,000 per month w.e.f. 01.04.2014 for the current year ending 31st March 2015 and ₹ 1,50,000 per month w.e.f. 01.04.2015 with annual increment of ₹ 20,000 per month.

ii. House Rent allowance

50% of Salary.

#### Perquisites

Shri Neeraj Jain shall also be eligible to the following perquisites:

#### Part A : (Not to be included in ceiling on remuneration):

i. Contribution to Provident Fund, Superannuation or Annuity Fund

Contribution to Provident Fund, Superannuation or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act (including any statutory modification(s) or re-enactment thereof

ii. Gratuity

Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

iii Leave encashment





As permissible under The Companies Act, 2013 and Schedule V and Rules framed thereunder

**Part B :** (To be included in ceiling on remuneration):

- i. Furniture & Furnishing  
The Company will provide furniture and furnishing for the residential accommodation subject to ceiling of ₹ 1 lac per annum.
- ii. Medical & Hospitalization  
Actual Medical expenses including hospitalization for self and dependent members of family.
- iii. Accident Insurance Premium  
Annual premium subject to ceiling of ₹ 10,000 per annum.
- iv. Leave Travel Concession  
For self and family as permissible in the Income Tax Act and Rules.
- v. Car with Driver  
Shall be provided for use for Company's Business. In case driver is not provided then the Company shall reimburse the actual expenses incurred by the Director for engaging a driver.
- vi. Telephone(s)  
Telephone(s) shall be provided at the residence for the benefit of Company's business, the cost of which shall be borne/paid by the Company. Mobile Phone (s) to be provided for Company's business use.
- vii Club(s) Fees & Expenses  
Fees and expenses for self and family subject to a maximum of ₹ 50,000 per annum.

The perquisite value of above perquisites if so specified, shall be computed as per provisions of the Companies Act, 2013 read with Rules framed there under. Otherwise the same shall be taken as per Income Tax Act and Rules/Company Rules / other applicable Statutory provisions in force from time to time as the case may be.

Explanation: Family means the spouse , the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT in the event of inadequacy or absence of Profit in any financial year, the remuneration payable to Shri Neeraj Jain shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013, or any statutory amendment/modification thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) in the Companies Act, 2013 and/or Schedule V of the Companies Act, 2013, the Board of Directors and/or Committee thereof be and is hereby authorized to alter and vary and/or restructure the remuneration including the Salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further Resolution or consent or reference to the members in General Meeting, subject however to the provisions of Section 197 of the Companies Act, 2013 and subject further to the same falling within the powers of the Nomination and Remuneration Committee and Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

**Item No. 9**

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

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt. Nisha Paul (DIN: 00325914), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st October, 2014 to hold office for Three (3) consecutive years for a term up to 30th September 2017.

**Item No. 10**

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

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act,

2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Mahavir Prasad Gupta (DIN 00190550), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st October, 2014 to hold office for Three (3) consecutive years for a term up to 30th September 2017.

**Item No. 11**

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

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Sunil Jain (DIN 00387451), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice, under Section 160 of the Companies Act, 2013, in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st October, 2014 to hold office for Three (3) consecutive years for a term up to 30th September 2017.

**Item No. 12**

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

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Gulshan Rai Jain (DIN 00737177), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st October, 2014 to hold office for Three (3) consecutive years for a term up to 30th September 2017.

**Item No. 13**

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

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Mohan Lal Mangla (DIN 00311895), Director of the Company, whose Period of the office is liable to determination by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent of the Company w.e.f. 1st October, 2014 to hold office for Three (3) consecutive years for a term up to 30th September 2017.

**Item No. 14**

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

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Vijender Jain (DIN 06423328), Director of the Company, whose Period of the office is liable to determination by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st October, 2014 to hold office for Three (3) consecutive years for a term up to 30th September 2017.

**Item No. 15**

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

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Vijay Kumar Sood (DIN 01525607), Director of the Company, whose Period of the office is liable to determination by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his



candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st October, 2014 to hold office for Three (3) consecutive years for a term up to 30th September 2017.

#### NOTES

1. **Proxy** : A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a Poll on his behalf. A proxy need not be a member of the Company. Proxies in order to be effective must be received at the office of the Registrar of the Company M/s Skyline Financial Services Pvt. Ltd., D – 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020. Not less than Forty Eight hours before the commencement of the Annual General Meeting.

A person can act as a proxy on behalf of members not exceeding fifty in number 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 Member.

Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

In case, of joint holders attending the meeting, only such joint holders who is higher in order of names will be entitled to vote

2. Members/Proxies should bring the duly filed attendance Slip at the Annual General Meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. The explanatory statement under section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting, setting out material facts in respect of the business under item Nos. 5 to 15 are annexed hereto.
4. Brief resume of Directors proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto read with the 'Report on Corporate Governance –Annexure B1 to the Directors' Report' . The Company is in receipt of relevant disclosures/consents from the Directors pertaining to their appointment/ reappointment.
5. In pursuance of the Circulars issued by the Ministry of Corporate Affairs, Government of India, the provisions of the Companies Act 2013 and the Rules made thereunder, electronic copy of the Annual Report for Financial Year 2013-14 and notice of the Thirty Fifth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.

For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 and the Notice of the Thirty Fifth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the Thirty Fifth Annual General Meeting and the Annual Report for financial year 2013-14 will also be available on the Company's website i.e. [www.cosco.in](http://www.cosco.in) for their download.

6. Members who have not registered their e-mail address so far are requested to register their e-mail address (or change, if any therein) with your Depository Participant ( where shares are held in dematerialized form) or by sending an email to the Registrar and Share Transfer Agents, M/s Skyline Financial Services stating clearly your name, folio no. if you are holding shares in physical form/DP Id & Client Id if you are holding shares in dematerialized form.

Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.

7. All relevant documents referred to in the accompanying Notice and the Explanatory statements are open for inspection at the Registered Office of the Company during normal office hours on all working days except Sundays and Holidays between 10.00 A.M. – 6.00 P.M. up to the date of the Annual General Meeting of the Company.
8. Register of Members and the Transfer Books for Equity Shares shall remain closed from 23rd September, 2014 to 30th September, 2014 (Both days inclusive) for the purpose of ascertaining the names of Members.
9. Please send all correspondence including requests for transfer/transmission/Demat of Shares, change of address etc. to the Registrar and Share Transfer Agents, M/s Skyline Financial Services Pvt. Ltd., D – 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020. Ph. 26812682, 26812683. E-mail ID: admin@skylinerta.com.
10. Members holding shares in more than one folio in identical order of names are requested to write to the Registrar and Share Transfer Agents enclosing their share certificates to enable the Company to consolidate their holdings in one folio to facilitate better service.
11. Members seeking any information with regard to accounts or operations are requested to write to the Company latest by 20th September, 2014 so as to enable the management to keep the information ready.

## **12. Voting Process :**

- 12.1 E-Voting Facility: In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 and 21 of Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to all members of the Company to enable them to cast their votes electronically at the Annual General Meeting (AGM) on the items/resolutions mentioned in this notice. The Company has availed the e-voting services as provided by National Securities Depository Limited (NSDL).

The Company has appointed Mr. Ravi Sharma, Partner of M/s. RSM&Co, Practising Company Secretaries, D-63, JFF Complex, Jhandewalan, New Delhi-110055; as scrutinizer for conducting the e-voting process in a fair and transparent manner.

The instructions for e-voting are as under:

- (A). In case a member receives e-mail from NSDL, the member should open e-mail and also open PDF file. The said PDF file contains his/ her user ID and initial password for e-voting.
- (B). In case a member receives Notice of Postal Ballot and Postal Ballot Form in physical form, the user ID and initial password for e-voting are provided on the covering letter attached with the Postal Ballot Notice.
- (C). The following steps should be followed for casting the vote through e-voting (in both the cases mentioned at Sr. No. 12.1(A) & (B) above):
  - i) Open the internet browser and type the following URL: <https://www.evoting.nsd.com>
  - ii) Click on Shareholder – Login.
  - iii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  - iv) If you are logging in for the first time, please enter the user ID and password provided through e-mail (as per Sr. No. 12.1(A) above or in physical form (as per Sr. No. 12.1(B) above), as the case may be.
  - v) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please keep your password confidential.
  - vi) Home page of e-voting opens. Click on e-voting> Active Voting Cycles.
  - vii) Select "EVEN" (E-Voting Event Number) of Cosco (India) Limited for Postal Ballot. Now you are ready for e-voting as "Cast Vote" page opens.
  - viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - x) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
  - xi) In case of shares held by companies, societies, trusts etc., they are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at [info@csrsm.com](mailto:info@csrsm.com) or [admin@skylinerta.com](mailto:admin@skylinerta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



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- D. The e-voting period shall commence on Wednesday, September 24, 2014 (0900 Hours) and ends on Friday, September 26, 2014 (1800 Hours). The e-voting module shall be disabled by NSDL for voting thereafter. The members who have cast their vote electronically shall not vote through postal ballot form.
- E. The scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of AGM.
- F. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 12.2. Physical Postal Ballot: The members have the option to cast their vote through physical postal ballot. The procedure for casting the vote through physical postal ballot is as under:
- A. The members who have received the Postal Ballot Notice along with Postal Ballot Form in physical form should return the Postal Ballot Form duly completed and signed by posting the same to the scrutinizer through pre-paid Business Reply Envelope (only for posting within India) being sent with the Postal Ballot Form.
- B. The Postal Ballot Form deposited in person or sent by courier or registered / speed post at the expense of the members will also be accepted.
- C. The completed Postal Ballot Forms should reach the scrutinizer on or before Friday, September 26, 2014 (upto 1800 Hours) and the Postal Ballot Forms received thereafter will be strictly treated as if the reply from the member has not been received.
- D. The members are requested to carefully read the instructions printed on the Postal Ballot Form.
- 12.3. A member can opt for only one mode of voting i.e. either through e-voting or by Postal Ballot Form. If a member casts vote(s) by both modes, then voting done through Postal Ballot Form shall prevail and the voting done by electronic mode shall be treated as invalid.
- 12.4. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folio /demat accounts.
- 12.5. The results of e-voting and Postal Ballot Forms shall be aggregated and the Scrutinizer will submit his report to the Managing Director of the Company after completion of the scrutiny. The result of the Postal Ballot shall be announced in the Annual General Meeting of the Company to be held on Tuesday, September 30, 2014 at 1030 Hours at AMITABH, E-23, 2nd Floor, Bungalow Road, Kamla Nagar, Delhi – 110 007. The result of the Postal Ballot will also be hosted on the Company's website [www.cosco.in](http://www.cosco.in) and on the website of NSDL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchange where the shares of the Company are listed.

Registered Office:

2/8, Roop Nagar,

Delhi -110007

By order of the Board of Directors

Place: Delhi

Date: 31st July, 2014

**Devinder Kumar Jain**

(DIN: 00191539)

Chairman cum Managing Director

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**Statement Pursuant to Section 102(1) of the Companies Act, 2013****Item No. 5**

Mr. Arun Jain, aged 48 years, is B.E., M. Tech. He has vast experience of more than 22 years of industrial Relation & Management and Research & Development of Rubber & Polymer Products. The Directors feel that the experience of Shri Arun Jain will be of immense help to the Company.

Shri Arun Jain was re-appointed as Whole time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

The Board recommends the reappointment of Shri Arun Jain as Whole Time Director of the Company for the further period of Three (3) years w.e.f. 1st October 2014 upon the remuneration, terms & condition as set out in the Resolutions(s) and which Nomination & Remuneration Committee has approved. The Board recommends the Resolution(s) for your approval.

Shri Arun Jain satisfies all the conditions set out in Part-1 of Schedule V and under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified for being appointed as Directors in terms of section 164 of the Companies Act 2013.

Shri Devinder Kumar Jain –Chairman & Managing Director, Shri Narinder Kumar Jain – Managing Director, Shri Darshan Kumar Jain – Director ,Shri Manish Jain-Director and Shri Arun Jain are concerned or interested in the said Resolution(s).None of the Other Directors/ Key Management Person(s) or his relatives are in any way is concerned or interested in the Resolution(s) set out at Item No. 5.

The above may be treated as written memorandum setting out terms of re-appointment of Shri Arun Jain under section 190 of the Companies Act, 2013.

**Item No. 6**

Shri Manish Jain, aged 44, is a qualified engineer and MBA having business experience of about 21 years. He is managing plant operations and is also actively associated with research and development of new products.

Shri Manish Jain was re-appointed as Whole time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

The Board recommends the reappointment of Shri Manish Jain as Whole Time Director of the Company for the further period of Three (3) years w.e.f. 1st October 2014 upon the remuneration, terms & condition as set out in the Resolutions(s) and which Nomination & Remuneration Committee has approved. The Board recommends the Resolution(s) for your approval.

Shri Manish Jain satisfies all the conditions set out in Part-1 of Schedule V and under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified for being appointed as Directors in terms of section 164 of the Companies Act 2013.

Shri Devinder Kumar Jain –Chairman & Managing Director, Shri Narinder Kumar Jain – Managing Director, Shri Darshan Kumar Jain – Director , Shri Arun Jain- Director and Shri Manish Jain are concerned or interested in the said Resolution(s).None of the Other Directors/ Key Management Person(s) or his relatives are in any way is concerned or interested in the Resolution(s) set out at Item No. 6.

The above may be treated as written memorandum setting out terms of re-appointment of Shri Manish Jain under section 190 of the Companies Act, 2013.

**Item No. 7**

Shri Pankaj Jain, aged 43, is commerce graduate and holding Master Degree in Business Administration and has 21 years experience to his credit in marketing and finance. Shri Pankaj Jain has traveled abroad extensively and thereby enriched with vast experience in the field of export.

Shri Pankaj Jain was re-appointed as Whole time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

The Board recommends the reappointment of Shri Pankaj Jain as Whole Time Director of the Company for the further period of Three (3) years w.e.f. 1st October 2014 upon the remuneration, terms & condition as set out in the Resolutions(s) and which Nomination & Remuneration Committee has approved. The Board recommends the Resolution(s) for your approval.

Shri Pankaj Jain satisfies all the conditions set out in Part-1 of Schedule V and under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified for being appointed as Directors in terms of section 164 of the Companies Act 2013.

Shri Darshan Kumar Jain – Director, Shri Devinder Kumar Jain –Chairman & Managing Director, Shri Narinder Kumar Jain – Managing Director and Shri Pankaj Jain are concerned or interested in the said Resolution(s).None of the Other Directors/ Key Management Person(s) or his relatives are in any way is concerned or interested in the Resolution(s) set out at Item No. 7.

The above may be treated as written memorandum setting out terms of re-appointment of Shri Pankaj Jain under section 190 of the Companies Act, 2013.



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**Item No. 8**

Shri Neeraj Jain, aged 42, is qualified Engineer and M.B.A. with Master Degree in Polymer Science from U.K. Shri Neeraj Jain is instrumental introducing new product line of Health & Fitness Equipments which contributes significantly to Company's revenue. He has 20 years experience to his credit in looking after imports and procuring of new products.

Shri Neeraj Jain was re-appointed as Whole time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

The Board recommends the reappointment of Shri Neeraj Jain as Whole Time Director of the Company for the further period of Three (3) years w.e.f. 1st October 2014 upon the remuneration, terms & condition as set out in the Resolutions(s) and which Nomination & Remuneration Committee has approved. The Board recommends the Resolution(s) for your approval.

Shri Neeraj Jain satisfies all the conditions set out in Part-1 of Schedule V and under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified for being appointed as Directors in terms of section 164 of the Companies Act 2013.

Shri Narinder Kumar Jain – Managing Director, Shri Devinder Kumar Jain –Chairman & Managing Director, Shri Darshan Kumar Jain – Director and Shri Neeraj Jain are concerned or interested in the said Resolution(s).None of the Other Directors/ Key Management Person(s) or his relatives are in any way is concerned or interested in the Resolution(s) set out at Item No. 8

The above may be treated as written memorandum setting out terms of re-appointment of Shri Neeraj Jain under section 190 of the Companies Act, 2013.

**Item No. 9**

Smt. Nisha Paul (DIN: 00325914) is Graduate. She is experienced in tour & travel, human resource and public relations. Smt. Nisha Paul holds Directorship in Paul Air Transport Private Limited.

Smt. Nisha Paul does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

In accordance with the provisions of section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 every Listed Company is required to appoint one Woman Director. At Present there is no Woman Director in the Company.

It is proposed that Smt. Nisha Paul may be appointed as an Independent Woman Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017. The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Smt. Nisha Paul as a candidate for the office of Director of the Company. Smt. Nisha Paul is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given her consent in writing to act as Director in Form DIR-2.

In the opinion of the Board, Smt. Nisha Paul fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. The Company has also received a declaration to the effect that she meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement.

The Board considers that her association with the Company would be of immense benefit to the Company. Accordingly, the Board recommends the resolution in relation to the appointment of Smt. Nisha Paul as an Independent Director, for the approval by the shareholders of the Company.

Except Smt. Nisha Paul, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

This Explanatory Statement together with particulars of Director(s) given in the annexed statement be also regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 10**

Shri Mahavir Prasad Gupta is a Non- Executive Independent Director of the Company. He Joined the Board of Directors of the Company w.e.f. 30th March, 2003. Shri Mahavir Prasad Gupta is member of Audit Committee, and Remuneration Committee of the Board of Directors of the Company.

Shri Mahavir Prasad Gupta is Former Head and Dean of Delhi School of Management Studies. He is Post Graduate-Educationist having vast knowledge in the areas of Business and Management.

Shri Mahavir Prasad Gupta does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Mahavir Prasad Gupta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of Listing Agreement, Shri Mahavir Prasad Gupta being eligible and offering himself for reappointment, is proposed to be appointed as Independent Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017,

The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Shri Mahavir Prasad Gupta as a candidate for the office of Director of the Company. Shri Mahavir Prasad Gupta is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent in writing to act as

Director in Form DIR-2.

In the opinion of the Board, Shri Mahavir Prasad Gupta fulfills the conditions specified both in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. The Company has also received a declaration to the effect that he meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mahavir Prasad Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Mahavir Prasad Gupta as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Mahavir Prasad Gupta, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 10. This Explanatory Statement together with particulars of Director(s) given in the annexed statement be also regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 11**

Shri Sunil Jain is a Non- Executive Independent Director of the Company. He Joined the Board of Directors of the Company w.e.f. 30th March, 2003. Shri Sunil Jain is member of Audit Committee, and Remuneration Committee of the Board of Directors of the Company.

He is Director in H B Velvet Pvt. Limited. He is a Graduate having vast knowledge in Industrial Management.

Shri Sunil Jain does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Sunil Jain retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of Listing Agreement, Shri Sunil Jain being eligible and offering himself for reappointment, is proposed to be appointed as Independent Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017,

The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Shri Sunil Jain as a candidate for the office of Director of the Company. Shri Sunil Jain is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent in writing to act as Director in Form DIR-2.

In the opinion of the Board, Shri Sunil Jain fulfills the conditions specified both in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. The Company has also received a declaration to the effect that he meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Sunil Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Sunil Jain as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Sunil Jain, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 11 This Explanatory Statement together with particulars of Director(s) given in the annexed statement be also regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 12**

Shri Gulshan Rai Jain is a Non- Executive Independent Director of the Company. He Joined the Board of Directors of the Company w.e.f. 30th March, 2003. Shri Gulshan Rai Jain is member of Audit Committee, and Remuneration Committee of the Board of Directors of the Company.

Shri Gulshan Rai Jain is Director in Jainson Rubber Pvt. Limited. He is a Graduate having vast Experience in Industrial Management.

Shri Gulsahn Rai Jain holds 2000 shares. He does not hold shares on behalf of any other person on a beneficial basis.

Shri Gulsahn Rai Jain retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of Listing Agreement, Shri Gulsahn Rai Jain being eligible and offering himself for reappointment, is proposed to be appointed as Independent Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017,

The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Shri Gulsahn Rai Jain as a candidate for the office of Director of the Company. Shri Gulsahn Rai Jain is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent in writing to act as Director in Form DIR-2.





In the opinion of the Board, Shri Gulsahn Rai Jain fulfills the conditions specified both in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. The Company has also received a declaration to the effect that he meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Gulsahn Rai Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Gulsahn Rai Jain as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Gulsahn Rai Jain, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 12. This Explanatory Statement together with particulars of Director(s) given in the annexed statement be also regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 13**

Shri Mohan Lal Mangla is a Non- Executive Independent Director of the Company. He Joined the Board of Directors of the Company w.e.f. 7th October, 1997.

Shri Mangla is member of Remuneration Committee of the Board of Directors of the Company.

Shri Mangla is a Law Graduate having vast Legal Experience including Intellectual Property Rights.

Shri Mangla holds 1000 shares (As Second Joint Holder with Shri Aman Mangla the First Holder). He does not hold shares on behalf of any other person on a beneficial basis.

Shri Mangla is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of Listing Agreement, Shri Mohan Lal Mangla being eligible and offering himself for appointment, is proposed to be appointed as Independent Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017.

The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Shri Mohan Lal Mangla as a candidate for the office of Director of the Company. Shri Mohan Lal Mangla is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent in writing to act as Director in Form DIR-2.

In the opinion of the Board, Shri Mohan Lal Mangla fulfills the conditions specified both in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. The Company has also received a declaration to the effect that he meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mohan Lal Mangla as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Mohan Lal Mangla as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Mohan Lal Mangla, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 13 This Explanatory Statement together with particulars of Director(s) given in the annexed statement be also regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 14**

Shri Vijender Kumar Jain is a Non- Executive Independent Director of the Company. He Joined the Board of Directors of the Company w.e.f. 31st October, 2012. He is member of Audit Committee of the Board of Directors of the Company. Shri Vijender Kumar Jain is a Chartered Accountant having vast Experience as practicing in Finance Accounts, Audit, Taxation and Company Law Matters.

Shri Vijender Kumar Jain does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Vijender Kumar Jain is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of Listing Agreement, Shri Vijender Kumar Jain being eligible and offering himself for appointment, is proposed to be appointed as Independent Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017.

The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Shri Vijender Kumar Jain as a candidate for the office of Director of the Company. Shri Vijender Kumar Jain is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent in writing to act as Director

in Form DIR-2.

In the opinion of the Board, Shri Vijender Kumar Jain fulfills the conditions specified both in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. The Company has also received a declaration to the effect that he meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Vijender Kumar Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Vijender Kumar Jain as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Vijender Kumar Jain, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 14. This Explanatory Statement together with particulars of Director(s) given in the annexed statement be also regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 15**

Shri Vijay Kumar Sood is a Non- Executive Independent Director of the Company. He Joined the Board of Directors of the Company w.e.f. 01st May, 2007.

Shri Vijay Kumar Sood is Director in Vijay Vallabh Securities Limited. He is a Graduate having 32 years experiences in Armed Forces (Retired as Lt. Col.) and 19 year in event management and Sports Goods Promotion.

Shri Vijay Kumar Sood does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Vijay Kumar Sood is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of Listing Agreement, Shri Vijay Kumar Sood being eligible and offering himself for appointment, is proposed to be appointed as Independent Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017.

The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Shri Vijay Kumar Sood as a candidate for the office of Director of the Company. Shri Vijay Kumar Sood is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent in writing to act as Director in Form DIR-2.

In the opinion of the Board, Shri Vijay Kumar Sood fulfills the conditions specified both in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. The Company has also received a declaration to the effect that he meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Vijay Kumar Sood as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Vijay Kumar Sood as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Vijay Kumar Sood, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 15 This Explanatory Statement together with particulars of Director(s) given in the annexed statement be also regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Registered Office:

2/8, Roop Nagar,  
Delhi -110007

By order of the Board of Directors

Place: Delhi

Date: 31st July, 2014

**Devinder Kumar Jain**

(DIN: 00191539)

Chairman cum Managing Director



Statement forming part of Notice of 35th Annual General Meeting issued to the Shareholders of the Company pursuant to the requirements of Section II of Schedule V to the Companies Act, 2013 for appointment and approval of Managerial Remuneration payable to Whole time Directors as per Agenda Items Nos. 5 to 8 and Clause 49 of the Listing Agreement.

**I. General Information:**

|    |   |  |   |  |
|----|---|--|---|--|
| 1. | Nature of industry  | The Company manufactures Sports Balls & Sports Ball Bladders and markets Sports Goods and Fitness Equipments & allied items. |   |  |
| 2. | Date or expected date of commencement of commercial production  | Existing Company. Already in commercial production.  |   |  |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable   |   |  |
| 4. | Financial performance based on given indicators   | <b>Particulars</b>   |   |  |
|    |   | <b>FINANCIAL RESULTS</b>   | Current Year ended<br>31.03.2014<br>(₹ in Lacs) | Previous Year ended<br>31.03.2013<br>(₹ in Lacs) |
|    |   | <b>Revenue from operations</b>   | <b>10500.40</b>                                 | 9280.72  |
|    |   | <b>Other Income</b>  | <b>53.56</b>                                    | 22.85  |
|    |   | <b>Total Revenue</b>   | <b>10553.96</b>                                 | 9303.57  |
|    |   | <b>Expenses :</b>  |   |  |
|    |   | (a) Cost of Materials Consumed   | <b>2010.75</b>                                  | 1764.58  |
|    |   | (b) Purchase of Stock-in-Trade   | <b>4826.78</b>                                  | 3842.16  |
|    |   | (c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade  | <b>(200.28)</b>                                 | (4.14)   |
|    |   | (d) Employee Benefit Expense   | <b>966.85</b>                                   | 915.96   |
|    |   | (e) Financial Costs  | <b>276.74</b>                                   | 267.63   |
|    |   | (f) Depreciation   | <b>76.18</b>                                    | 72.63  |
|    |   | (g) Other expenses   | <b>2066.25</b>                                  | 1952.10  |
|    |   | <b>Total Expenses</b>  | <b>10023.27</b>                                 | 8810.92  |
|    |   | <b>Profit before Prior Period, exceptional and extraordinary items and Tax</b>   | <b>530.69</b>                                   | 492.65   |
|    |   | Prior Period Adjustments -Charge   | <b>4.78</b>                                     | 6.40   |
|    |   | Exceptional Items- Charge/(Income)   | <b>129.57</b>                                   | 263.68   |
|    |   | <b>Profit before extraordinary item and Tax</b>  | <b>396.34</b>                                   | 222.57   |
|    |   | Extraordinary Items  | ----  | ----   |
|    |   | <b>Profit before Tax</b>   | <b>396.34</b>                                   | 222.57   |
|    |   | <b>Tax Expenses/(Income) :</b>   |   |  |
|    |   | Current Tax  | <b>78.16</b>                                    | 76.89  |
|    |   | Deferred Tax   | <b>44.66</b>                                    | 134.17   |
|    |   | <b>Profit for the period from continuing operations</b>  | <b>273.52</b>                                   | 11.51  |
|    |   | <b>Shareholders Funds</b>  |   |  |
|    |   | a) Share Capital   | <b>416.10</b>                                   | 416.10   |
|    |   | b) Reserves and Surplus  | <b>1437.83</b>                                  | 1164.32  |
|    |   | Long Term Borrowings (unsecured)   | <b>1400.00</b>                                  | 1400.00  |
|    |   | Short Term Borrowings from Banks (Secured )  |   |  |
|    |   | a) Working Capital Loans   | <b>1561.05</b>                                  | 727.75   |
|    |   | b) Others  |   |  |
|    |   | Short Term Borrowings - Unsecured  | <b>648.33</b>                                   | 469.92   |
|    |   | Investments-Non Current  | <b>0.05</b>                                     | 0.05   |
| 5. | Foreign investments or collaborations, if any   |  | <b>NIL</b>                                      | NIL  |

## II. Information about the Appointees ( Whole Time Directors)

### (iv) Shri Arun Jain - Whole Time Director

|    |  |  |  |
|----|--|--|--|
| 1. | Background details   | 1.1 Date of Birth<br>1.2 Age<br>1.3 Qualification<br>1.4 Experience<br>1.5 Date of appointment   | 25th January, 1966<br>48 years<br>B.E., M. Tech<br>22 years of experience<br>1st May, 2007 |
| 2. | Past Remuneration  | Remuneration paid to Shri Arun Jain during 2013-14 has been provided in the report on corporate governance forming part of the Annual Report.  |  |
| 3. | Recognition or awards  | -----  |  |
| 4. | Job profile and his suitability  | He has vast experience in Industrial Relations & Management and Research & Development of Rubber & Polymer Products.   |  |
| 5. | Remuneration proposed  | As per details given in the main body of the Resolution(s)   |  |
| 6. | 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) | No Industry specific comparative data available.   |  |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.   | Promoter Director Cum Shareholder of the Company. Related to Shri Devinder Kumar Jain – Chairman, cum Managing Director, Shri Narinder Kumar Jain-Managing Director, Shri Darshan Kumar Jain-Whole Time Director and Shri Manish Jain -Whole Time Director. Number of Shares held by him in the Company are 84,300 plus 500 as Karta of H.U.F. |  |
| 8. | List of other Indian Public Limited Companies in which Directorship held   | NIL  |  |
| 9. | Chairman/Member of the Committee of Board of other Public Limited Companies  | NIL  |  |

### (v) Shri Manish Jain – Whole Time Director

|    |                                 |   |  |
|----|---------------------------------|---|--|
| 1. | Background details              | 1.1 Date of Birth<br>1.2 Age<br>1.3 Qualification<br>1.4 Experience<br>1.5 Date of appointment  | 17th November, 1970<br>44 years<br>Qualified Engineer and MBA<br>21 years of experience<br>1st April, 1998 |
| 2. | Past Remuneration               | Remuneration paid to Shri Manish Jain during 2013-14 has been provided in the report on corporate governance forming part of the Annual Report. |  |
| 3. | Recognition or awards           | -----   |  |
| 4. | Job profile and his suitability | Managing Plant Operations and Associated with research and Development of new Products.   |  |
| 5. | Remuneration proposed           | As per detail given in the main body of the Resolution(s)   |  |



|    |  |  |
|----|--|--|
| 6. | 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) | No Industry specific comparative data available.   |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.   | Promoter Director cum Shareholder of the Company. Related to Shri Devinder Kumar Jain – Chairman cum Managing Director, Shri Narinder Kumar Jain-Managing Director, Shri Darshan Kumar Jain-Whole Time Director and Shri Arun Jain-Whole Time Director. Numbers of Shares held by him in the Company are 91300 plus 12700 as Karta of H.U.F. |
| 8. | List of other Indian Public Limited Companies in which Directorship held   | NIL  |
| 9. | Chairman/Member of the Committee of Board of other Public Limited Companies  | NIL  |

**(vi) Shri Pankaj Jain – Whole Time Director**

|    |  |  |
|----|--|--|
| 1. | Background details   | 1.1 Date of Birth 7th August, 1971<br>1.2 Age 43 years<br>1.3 Qualification B.Com and MBA<br>1.4 Experience 21 years of experience<br>1.5 Date of appointment 1st April, 1998  |
| 2. | Past Remuneration  | Remuneration paid to Shri PankajJain during 2013-14 has been provided in the report on corporate governance forming part of the Annual Report.   |
| 3. | Recognition or awards  | ----   |
| 4. | Job profile and his suitability  | Finance and Marketing and Development of new Products.   |
| 5. | Remuneration proposed  | As per detail given in the main body of the Resolution(s)  |
| 6. | 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) | No Industry specific comparative data available.   |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.   | Promoter Director cum Shareholder of the Company. Related to Shri Darshan Kumar Jain-Whole Time Director, Shri Devinder Kumar Jain – Chairman cum Managing Director and Shri Narinder Kumar Jain-Managing Director. Numbers of Shares held by him in the Company are 86300 plus 17700 as Karta of H.U.F. |
| 8. | List of other Indian Public Limited Companies in which Directorship held   | NIL  |
| 9. | Chairman/Member of the Committee of Board of other Public Limited Companies  | NIL  |

**(vii) Shri Neeraj Jain – Whole Time Director**

|    |  |  |  |
|----|--|--|--|
| 1. | Background details   | 1.1 Date of Birth<br>1.2 Age<br>1.3 Qualification<br>1.4 Experience<br>1.5 Date of appointment   | 3rd October, 1972<br>42 years<br>B.E. M.Sc. (Polymer Science) & MBA<br>20 years of experience<br>1st April, 1998 |
| 2. | Past Remuneration  | Remuneration paid to Shri Neeraj Jain during 2013-14 has been provided in the report on corporate governance forming part of the Annual Report.  |  |
| 3. | Recognition or awards  | ----   |  |
| 4. | Job profile and his suitability  | International Trade and Sourcing of the new product.   |  |
| 5. | Remuneration proposed  | As per detail given in the main body of the Resolution(s)  |  |
| 6. | 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) | No Industry specific comparative data available.   |  |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.   | Promoter Director cum Shareholder of the Company. Related to Shri-Narinder Kumar Jain, Managing Director, Shri Devinder Kumar Jain – Chairman cum Managing Director and Shri Darshan Kumar Jain-Whole Time Director . Numbers of Shares held by him in the Company are 91500 plus 12500 as Karta of H.U.F. |  |
| 8. | List of other Indian Public Limited Companies in which Directorship held   | NIL  |  |
| 9. | Chairman/Member of the Committee of Board of other Public Limited Companies  | NIL  |  |

**III. OTHER INFORMATION**

|    |   |  |
|----|---|--|
| 1. | Reasons of loss or inadequate profits                             | > Competition in Domestic and International Markets;<br>> Increase in input costs;<br>> Recognition and Payment of Corporate Guarantee Liability;  |
| 2. | Steps taken or proposed to be taken for improvement.              | Taking following measures on continuous basis: -<br>i. Strengthening marketing network to capitalize on 'Cosco' Brand name;<br>ii. Expanding Product range of Sports goods and Health equipments and allied products;<br>iii. Development of new products & designs & product re-engineering;<br>iv. Focusing on Cost control & Cost cutting measures; |
| 3. | Expected increase in productivity and profit in measurable terms. | Barring unforeseen circumstances Sales Turnover during the current year is likely to increase by about 15% and the Company expects to earn about 4.5% Net Profits.   |

**IV. DISCLOSURES:**

|    |   |   |
|----|---|---|
| 1. | Remuneration packages of the managerial person. | Details of Remuneration packages of Shri Arun Jain, Shri Manish Jain, Sh. Pankaj Jain and Sh. Neeraj Jain requiring Shareholders approval by Special Resolutions is given in the Resolutions under Agenda items No. 5 to 8. |
|----|---|---|



**Details of the Other Directors seeking Appointment/Reappointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the listing Agreement)**

| <b>Name of Director</b>   | <b>Shri Darshan Kumar Jain</b>  | <b>Smt. Nisha Paul</b>   | <b>Shri Mahvir Prasad Gupta</b>                               |
|---|---|--|---|
| Date of Birth   | 18th July, 1932   | 17th August, 1960  | 15th October, 1940  |
| Date of Appointment   | 1st July, 1989  | To be appointed w.e.f. 1st October, 2014.                          | 30th March, 2003  |
| Expertise in specific Professional areas                                    | Trade especially in the marketing of sports products  | Experienced in Tour & Travel, Human Resource and Public Relations. | Vast knowledge in the areas of Business and Management.       |
| Qualifications  | Matriculate   | Graduate   | Post Graduate   |
| List of other Indian Public Limited Companies in which Directorship held    | Nil   | Nil  | Nil   |
| Chairman/Member of the Committee of Board of other Public Limited Companies | Nil   | Nil  | Nil   |
| Number of Shares held in the Company  | 250,800   | Nil  | Nil   |
| <b>Name of Director</b>   | <b>Shri Sunil Jain</b>  | <b>Shri Gulshan Rai Jain</b>                                       | <b>Shri Mohan Lal Mangla</b>                                  |
| Date of Birth   | 1st January, 1956   | 9th June, 1950   | 10th September, 1940  |
| Date of Appointment   | 30th March, 2003  | 30th March, 2003   | 7th October, 1997   |
| Expertise in specific Professional areas                                    | Well experienced in Industrial Management.  | Experienced in Running and Managing Industry.                      | Vast legal experience including Intellectual Property Rights. |
| Qualifications  | Graduate  | Graduate   | Law Graduate and Advocate                                     |
| List of other Indian Public Limited Companies in which Directorship held    | Nil   | Nil  | Nil   |
| Chairman/Member of the Committee of Board of other Public Limited Companies | Nil   | Nil  | Nil   |
| Number of Shares held in the Company  | Nil   | 2000 Shares  | 1000 Shares (Jointly with Aman Mangla)                        |
| <b>Name of Director</b>   | <b>Shri Vijender Kumar Jain</b>   | <b>Shri Vijay Kumar Sood</b>                                       |   |
| Date of Birth   | 18th June, 1955   | 17th June, 1943  |   |
| Date of Appointment   | 31st October, 2012  | 1st May, 2007  |   |
| Expertise in specific Professional areas                                    | Vast experience as practicing Chartered Accountant in Finance, Accounts, Audit, Taxation and Company Law Matters. | Event Management and Sports Goods Promotion                        |   |
| Qualifications  | Chartered Accountant  | Graduate   |   |
| List of other Indian Public Limited Companies in which Directorship held    | Nil   | Nil  |   |
| Chairman/Member of the Committee of Board of other Public Limited Companies | Nil   | Nil  |   |
| Number of Shares held in the Company  | Nil   | Nil  |   |

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their 35th Annual Report together with Annual Accounts for the year ended 31st March, 2014.

### FINANCIAL RESULTS AND PERFORMANCE REVIEW

| Particulars   | Current Year     | Previous Year    |
|---|------------------|------------------|
|   | ended 31.03.2014 | ended 31.03.2013 |
|   | (₹ in lacs)      | (₹ in lacs)      |
| Revenue from operations   | 10500.40         | 9280.72          |
| Other Income  | 53.56            | 22.85            |
| Total Revenue   | 10553.96         | 9303.57          |
| Total Expenses  | 10023.27         | 8810.92          |
| Profit before Prior Period, Exceptional and Extraordinary items and Tax | 530.69           | 492.65           |
| Prior Period Adjustments - charges                                      | 4.78             | 6.40             |
| Exceptional Items – charge/(income)                                     | 129.57           | 263.68           |
| Profit before Extraordinary items and Tax                               | 396.34           | 222.57           |
| Extraordinary items   | --               | --               |
| Profit before Tax   | 396.34           | 222.57           |
| <u>Tax Expenses/(Income) :</u>  |                  |                  |
| Current Tax   | 78.16            | 76.89            |
| Deferred Tax  | 44.66            | 134.17           |
| Profit for the period from continuing operations                        | 273.52           | 11.51            |

The Revenue from Sale of Products (net of excise) for the current year ended 31.03.2014 was higher at ₹ 10,437.41 Lacs against previous year's sales of ₹ 9,228.26 Lacs –an increase of about 13 % over the previous year. The exports were also higher at ₹ 343.25 Lacs (previous year ₹ 313.33 lacs). The company registered growth in sales turnover during the financial year ended 31st March 2014 due to good domestic demand. The Revenue from services for the current year amounted to ₹ 4.03 Lacs (Previous year ₹ 3.08 Lacs). The other Operating Income, mainly comprising of export incentives was ₹ 58.96 Lacs (Previous year ₹ 49.37 Lacs). The company also recognized foreign exchange difference (expense) of ₹ 132.87 Lacs on account of Corporate Guarantee Liability during the current year ended 31.03.2014 (Refer Note No. 30 on the Financial Statements). During the current year ended 31.03.2014 the Company registered Net Profit of ₹ 273.52 Lacs (Previous Year ₹ 11.51 lacs).

The Cosco Brand value is well established. The Management is continuously taking effective steps to improve top line as well as net margins. The Company is further expanding its marketing network of health equipments and allied products in addition to Sports goods. The Company manufactures/source internationally at competitive prices quality products and develop/source new products on regular basis.





Status of Investments made in the erstwhile Subsidiary Company M/s Cosco Polymer Lanka (Private) Limited (CPLPL): As reported last year and the preceding year, M/s Cosco Polymer Lanka (Private) Limited, has been scheduled in the Revival of Underperforming Enterprises or Underutilized Assets Act, No 43 of 2011 (of Sri Lanka). The Shares of the WOS are vested in Secretary to the Treasury of Government of Sri Lanka pursuant to acquisition by the Government under 'Revival of Underperforming Enterprises or Under Utilized Assets Act of Sri Lanka (Act No. 43 of 2011)'. Competent Authority appointed under the Act is controlling, administering and managing such Enterprises/Units/Assets. The Act (of Sri Lanka), provides for payment of compensation to the Shareholders. The Compensation claim has been filed in Sri Lanka with the Compensation Tribunal constituted under the said Act and the claim is yet to be adjudicated. No compensation has been received till date.

CPLPL is under Liquidation –Case Ref. No. HC (Civil) 40/2013(CO) under the Jurisdiction of Hon'ble The Commercial High Court of The Western Province (Exercising Civil Jurisdiction) in Colombo (Sri Lanka). The Application/Petition for winding up was filed by State Bank of India, Colombo. However, your Company has fully discharged its obligation of Corporate Guarantee Liability by making payment of Rupee Equivalent of USD 1.80 Mn to State Bank of India under One Time settlement.

#### **DIVIDEND**

Directors don't recommend any Dividend to consolidate financial position of the company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that

- a) in the preparation of the Annual Accounts the applicable Accounting Standards have been followed;
- b) the Directors have applied sound accounting policies and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- c) the Directors have taken sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a "going concern basis";

#### **FIXED DEPOSIT :**

The Company has neither invited nor accepted any Deposits from Public or Employees under section 58A of the Companies Act, 1956. There are no unclaimed / overdue deposits as on 31st March 2014.

#### **DIRECTORS**

Shri Darshan Kumar Jain (DIN: 00195789) and Shri Manish Jain (DIN: 00191593), Directors of the Company retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. Board recommends their reappointment.

The term of appointment of Shri Arun Jain (DIN: 01054316), Shri Manish Jain (DIN: 00191593), Shri Pankaj Jain (DIN: 00190414) and Shri Neeraj Jain (DIN: 00190592) as Whole Time directors of the Company expires on 30th September, 2014. The Board recommends their reappointment as Whole Time Directors of the Company for further period of Three (3) years w.e.f. 1st October, 2014 upon the remuneration, terms & conditions as set out in the Notice of the ensuing Annual General Meeting and approved by the Nomination & Remuneration Committee as per the provisions of the Companies Act, 2013 & Schedule V of the Companies Act, 2013 and Rules framed thereunder.

The office of the present Independent Directors of the Company namely Shri Joginder Pal Jain (DIN 00190482), Shri Mahavir Prasad Gupta (DIN 00190550), Shri Sunil Jain (DIN 00387451), Shri Gulshan Rai Jain (DIN 00737177), Shri Mohan Lal Mangla (DIN 00311895), Shri Vijender Jain (DIN 06423328) and Shri Vijay Kumar Sood (DIN 01525607), is liable to be determined by rotation at the Annual General Meeting in accordance with the Articles of Association of the Company and the erstwhile applicable provisions of the Companies Act, 1956.



Shri Mahavir Prasad Gupta, Shri Sunil Jain and Shri Gulshan Rai Jain retire by rotation at the ensuing Annual General Meeting on 30th September, 2014 under the erstwhile applicable provisions of the companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of Listing Agreement, Shri Mahavir Prasad Gupta, Shri Sunil Jain, Shri Gulsahn Rai Jain, Shri Mohan Lal Mangla, Shri Vijender Jain and Shri Vijay Kumar Sood being eligible and offering themselves for reappointment/appointment, are recommended to be appointed as Independent Directors, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017. The Company has received notices from member(s) under section 160 of the Companies Act, 2013 proposing their appointment as Independent Directors of the Company.

In accordance with the provisions of section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 every Listed Company is required to appoint one Woman Director. It is proposed that Smt. Nisha Paul (DIN: 00325914) may be appointed as an Independent Woman Director, not liable to retire by rotation, w.e.f. 1st October, 2014 for term of Three (3) consecutive years upto 30th September, 2017. The Company has received notice from a member under section 160 of the Companies Act, 2013 proposing Smt. Nisha Paul as a candidate for the office of Woman Director of the Company.

None of the Director is disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and they have given their consent in writing to act as Director(s).

#### **AUDITORS**

M/s Madan & Associates, Chartered Accountants (ICAI Registration No. 000185N), the present Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment for a further term of Three (3) consecutive years as per the provisions of the Companies Act, 2013 and Rules framed thereunder. The Company has received a letter from them that their re-appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment. The Board of Directors based on recommendation of Audit Committee, recommend their re-appointment to hold office from the conclusion of this (Thirty-Fifth) Annual General Meeting (AGM) until the conclusion of the Thirty Eighth AGM subject to ratification of the appointment by the members at every AGM.

#### **INDEPENDENT AUDITORS' REPORT**

The Auditors' Report on the Financial Statements for the year ended 31st March, 2014 read with the relevant Notes on the Financial Statements, is self explanatory and do not require further explanation.

Government Authorities, Customers, Vendors & Shareholders. Your Directors record their sincere appreciation of the contribution made to the organization by Executives, Staff and Workers of the Company and greatly value them all.

#### **COST AUDITORS**

Pursuant to the provisions of section 233B of the Companies Act, 1956 M/s Ashish Jain & Co., Cost Accountants have been appointed Cost Auditors of the Company to conduct audit of Cost Accounting Records of the Company for the Financial Year 2013-14 for product(s)/services covered under MCA Cost Audit Order(s). The Report of the Cost Auditors is yet to be received by the company. Our company is not covered under the notification relating to the Companies (Cost Records and Audit) Rules, 2014 issued under section 148 of the Companies Act, 2013.

#### **COMPLIANCE CERTIFICATE**

Compliance Certificate as required under section 383(A) of the Companies Act 1956, issued by Shri Akhil Rohatgi, Company Secretary in Whole Time Practice, is annexed hereto as Annexure-1.

#### **DEMATERIALISATION OF SHARES**

The Company shares are being dealt in dematerialized form. Shareholding of the Promoters / Promoter Group has been substantially dematerialized.

#### **LISTING**

Your Company is listed with Stock Exchanges at Mumbai and Delhi and Annual Listing fee for the Financial Year 2013-14 and 2014 – 2015 has been paid to them.



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

As required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 the relevant information and data is given in Annexure-'A' annexed hereto and form part of this Report.

#### **CORPORATE GOVERNANCE.**

Your Company has taken adequate steps to ensure that mandatory provisions of 'Corporate Governance' as provided in the listing agreement of the Stock Exchanges with which the Company's shares are listed, are duly complied with.

Report on 'Corporate Governance' along with 'Certificate by Practicing Company Secretary' on compliance with the condition of Corporate Governance under clause 49 of the Listing Agreement is annexed hereto as part of this report as Annexures –'B1 & B2' respectively.

Report on Management Discussion and Analysis is annexed hereto as Annexure –'C' and form part of this report.

#### **PARTICULARS OF EMPLOYEES**

During the year under review none of the employees of the Company were drawing remuneration requiring disclosure under provisions of section 217(2A) of the Companies Act, 1956 read with Company (Particulars of Employees) Rules 1975 either for full or part of the year.

#### **INDUSTRIAL RELATIONS**

The industrial relations remained cordial during the year.

#### **ACKNOWLEDGEMENTS**

The Directors acknowledge with thank the continuous support and co-operation received from Bankers, Statutory and Internal Auditors, Government Authorities & Regulators, Customers, Suppliers and Vendors. Your Directors wish to place on record their sincere appreciation of the contribution made to the organization by Executives, Staff and Workers of the Company and greatly value them all. Directors also place on record their appreciation for the confidence reposed by the Shareholders.

Registered Office :  
2/8, Roop Nagar,  
Delhi - 110007

Place: Delhi  
Date: 31st July, 2014

By order of the Board of Directors

**Devinder Kumar Jain**  
Chairman cum Managing Director  
DIN : 00191539

## ANNEXURE TO DIRECTORS REPORT

### Annexure - "A"

Statement of particulars under section 217(1)(e) of the Companies Act, 1956 forming part of the Directors' Report for the year ended 31st March 2014

#### **A. CONSERVATION OF ENERGY**

The Company is committed to continuously reduce energy consumption and has been striving to ensure environment friendly initiatives when implementing various measures on energy saving.

The Company has taken the following initiatives in this regard:

- (i) Insulation of steam line in plant to reduce the heat losses.
- (ii) Interlocking of motor operation to reduce the idle running hours of the motor.
- (iii) Leak analysis test done on compressed air line to reduce the wastage of compressed air.
- (iv) Use of fuel additive in boiler to increase the combustion efficiency.

#### **B. TECHNOLOGY ABSORPTION**

##### **FORM-B**

##### **RESEARCH AND DEVELOPMENT (R & D)**

##### 1. Specific areas in which R&D is carried out by the company:

Process improvement projects were undertaken for improving product quality and productivity of the manufacturing process. Environment, Health and Safety considerations were given special emphasis in the process development work.

##### 2. Benefits derived as a result of above R & D :

- a. Cost optimization.
- b. Quality evaluation of finished products and raw materials.
- c. Ensuring product quality.

##### 3. Future Plans of Action :

The company's creative and innovation team will continue to work on improvement of process and resource use efficiencies. Improvement plans for existing products are underway with an objective of cost reduction and being competitive in the market.

##### 4. Expenditure on R & D ( ₹ in Lacs) :

|              | 2013-14     | 2012-13 |
|--------------|-------------|---------|
| Capital      | Nil         | Nil     |
| Recurring    | 0.94        | 0.23    |
| <b>Total</b> | <b>0.94</b> | 0.23    |

Total R&D expenditure as a percentage of net sales is 0.009 % (Previous Year 0.002%)

#### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

##### 1. Technology innovations were implemented to increase production and consumption of raw material, energy and utilities.

##### 2. Benefits derived as a result of above

- (i) Reduction in energy consumption.
- (ii) Improvement in process efficiency.

##### 3. Imported Technology

- (a) Technology imported None
- (b) Year of Import N.A.
- (c) Has technology been fully absorbed N.A.
- (d) If not fully absorbed;

Reasons and future course of action N.A.

#### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO ( ₹ in Lacs)**

|  | 2013-14        | 2012-13 |
|--|----------------|---------|
| (i) Foreign Exchange earning during the year | <b>343.25</b>  | 313.33  |
| (ii) Foreign Exchange outgo during the year  | <b>3529.55</b> | 2829.91 |



## ANNEXURE TO DIRECTORS REPORT

### Annexure - "B1"

#### CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreements with Stock Exchanges, the Company submits the following report on the matters mentioned in the said clause and practices followed by the Company.

#### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

The Board of Directors and the Management of your Company is committed to

- sound & ethical business practices
- ensure transparency and professionalism in all decisions and transactions of the Company
- build brand value of its products
- good Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance.

#### BOARD OF DIRECTORS

I Composition: The Board of Directors is headed by Shri Devinder Kumar Jain - Chairman Cum Managing Director. Board consisted of the following Directors as on March 31, 2014, categorized as indicated.

| (A) Promoters Group      |                           |     | DIN      |
|--------------------------|---------------------------|-----|----------|
| Shri Devinder Kumar Jain | Chairman Cum Mg. Director | ED  | 00191539 |
| Shri Narinder Kumar Jain | Managing Director         | ED  | 00195619 |
| Shri Darshan Kumar Jain  | Whole Time Director       | ED  | 00195789 |
| Shri Pankaj Jain         | Whole Time Director       | ED  | 00190414 |
| Shri Manish Jain         | Whole Time Director       | ED  | 00191593 |
| Shri Neeraj Jain         | Whole Time Director       | ED  | 00190592 |
| Shri Arun Jain           | Whole Time Director       | ED  | 01054316 |
| (B) Independent          |                           |     |          |
| Shri Mohan Lal Mangla    | Director                  | NED | 00311895 |
| Shri Joginder Pal Jain   | Director                  | NED | 00190482 |
| Prof. M.P. Gupta         | Director                  | NED | 00190550 |
| Shri Sunil Jain          | Director                  | NED | 00387451 |
| Shri Gulshan Rai Jain    | Director                  | NED | 00737177 |
| Shri Vijay Kumar Sood    | Director                  | NED | 01525607 |
| Shri Vijender Jain       | Director                  | NED | 06423328 |

ED – Executive Director, NED – Non Executive Director

II. Attendance at Board Meetings and last Annual General Meeting and details of membership of Directors in other Boards and Board Committees.

#### (A) Details of Board Meetings held during the year 2013-14

| Date of Meetings | Board Strength | No. of Directors Present |
|------------------|----------------|--------------------------|
| April 20, 2013   | 14             | 13                       |
| May 30, 2013     | 14             | 09                       |
| July 31, 2013    | 14             | 13                       |
| October 31, 2013 | 14             | 12                       |
| January 31, 2014 | 14             | 10                       |



**(B) Directors' Attendance Record and Directorships held:**

| Name of the Director     | No. of Board Meeting Attended | Whether attended last AGM held on 29th September, 2013 | No. of Directorship Public held in other Limited Companies | No. of Committee position held in other Public Limited Companies as a Chairman | No. of Committee position held in other Public Limited Companies as a Member |
|--------------------------|-------------------------------|--|--|--|--|
| Shri Devinder Kumar Jain | 5                             | Yes  | 1  | Nil  | Nil  |
| Shri Narinder Kumar Jain | 5                             | Yes  | 1  | Nil  | Nil  |
| Shri Darshan Kumar Jain  | 5                             | No   | 1  | Nil  | Nil  |
| Shri Pankaj Jain         | 3                             | Yes  | Nil  | Nil  | Nil  |
| Shri Manish Jain         | 3                             | Yes  | Nil  | Nil  | Nil  |
| Shri Neeraj Jain         | 4                             | Yes  | Nil  | Nil  | Nil  |
| Shri Arun Jain           | 4                             | Yes  | Nil  | Nil  | Nil  |
| Shri Mohan Lal Mangla    | 4                             | No   | Nil  | Nil  | Nil  |
| Shri Joginder Pal Jain   | 4                             | No   | Nil  | Nil  | Nil  |
| Prof. M. P. Gupta        | 4                             | No   | Nil  | Nil  | Nil  |
| Shri Gulshan Rai Jain    | 4                             | No   | Nil  | Nil  | Nil  |
| Shri Sunil Jain          | 4                             | No   | Nil  | Nil  | Nil  |
| Shri Vijay Kumar Sood    | 4                             | Yes  | Nil  | Nil  | Nil  |
| Shri Vijender Kumar Jain | 4                             | No   | Nil  | Nil  | Nil  |

III. Information in respect of appointment of new Directors & re-appointment of existing Directors.

**Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 Of the Listing Agreement.**

| Sl. No. | Name of Director        | Brief Resume   | Expertise in Specific functional areas   | Directorship in other Companies  |
|---------|-------------------------|--|--|--|
| 1.      | Shri Darshan Kumar Jain | Aged about 82 years. Matriculate about 53 years' experience.                         | Vast experience in Trade Especially in the marketing consumer product.                                   | Cosco Polymer Industries Pvt. Ltd. (upto 13th January, 2014).<br>Cosco International Pvt. Ltd.<br>DDN Polymer Pvt. Limited.<br>Navendu Investment Co. Pvt. Ltd<br>Vijay Vallabh Securities Limited (upto 30th June 2014)<br>Radha Phool Fin Investment Pvt. Ltd. |
| 2.      | Shri Manish Jain        | Aged about 43 years. Qualified Engineer and MBA with about 21 years' Experience.     | Managing Plant Operations & Production and Associated with research and Development of new Products.     | Cosco Polymer Industries Pvt. Ltd. (upto 13th January, 2014).<br>Cosco International Pvt. Ltd.   |
| 3.      | Shri Pankaj Jain        | Aged about 43 years. B. Com and MBA. About 21 years' experience.                     | Finance and Marketing and developing of new products for International Market.                           | Cosco Polymer Industries Pvt. Ltd.   |
| 4.      | Shri Neeraj Jain        | Aged about 42 years. B.E., M.Sc.(Polymer Science) & MBA. About 20 years' experience. | International Trade and Sourcing of new products   | Cosco Polymer Industries Pvt. Ltd. (upto 13th January, 2014)   |
| 5.      | Shri Arun Jain          | Aged about 48 years. B.E., M. Tech. About 22 years' experience                       | Industrial Relations & Management of Production and Research & Development of Rubber & Polymer Products. | Cosco Polymer Industries Pvt. Ltd. (w.e.f. 13th January, 2014).<br>Cosco Polymer Lanka (Private) Limited- Company under Liquidation  |



| Sl. No. | Name of Director          | Brief Resume   | Expertise in Specific functional areas  | Directorship in other Companies  |
|---------|---------------------------|--|---|--|
| 6.      | Ms. Nisha Paul            | Aged about 54 years, Graduate, About 25 years' experience.   | Experienced in Tour & Travel, Human Resource and Public Relations.  | Paul Air Transport Private Limited.  |
| 7.      | Shri M.P. Gupta           | Aged about 74 years. Post Graduate-Educationist, Former Head and Dean of Delhi School of Management Studies. About 47 Years' Experience. | Vast Knowledge in the areas of Business and Management.   | Nil  |
| 8.      | Shri Sunil Jain           | Aged about 59 years. Graduate. About 31 Years' Experience.   | Industrial Management.  | H.B. velvet (Pvt.) Ltd.<br>Vijay Vallabh Securities Limited (w.e.f. 30th June 2014)  |
| 9.      | Shri Gulshan Rai Jain     | Aged about 64 years. Graduate. About 36 years' experience.   | Running and Managing Industry.  | Jainson Rubber Pvt. Ltd.<br>Vijay Vallabh Securities Limited (w.e.f. 30th June 2014) |
| 10.     | Shri Mohan Lal Mangla     | Aged about 74 years. Law Graduate and Advocate. About 49 years' experience.  | Vast legal experience including Intellectual Property Rights.   | NIL  |
| 11.     | Shri Vijender Kumar Jain  | Aged about 59 years. Chartered Accountant. About 33 years' experience.   | Vast experience as practicing Chartered Accountant in Finance, Accounts, Audit, Taxation and Company Law Matters.           | NIL  |
| 11.     | Lt. Col. Vijay Kumar Sood | Aged about 71 years. Graduate. About 51 years' experience.   | About 32 years in Armed Forces. Retired as Lt. Col. and 19 years' experience in Event Management and Sport Goods Promotion. | Vijay Vallabh Securities Limited (w.e.f. 30th June 2014)                             |

(Refer also statement forming part of Notice of 35th Annual General Meeting issued to the Shareholders of the Company)

#### CODE OF CONDUCT

The Board has laid down a Code of Conduct for the Directors and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed their compliance with the Code. The Code of Conduct is available on the Company's website viz. [www.cosco.in](http://www.cosco.in). A declaration to this effect signed by the CEO of your Company forms a part of this Report.

#### Declaration

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct formulated by the Board of Directors of the Company for the year ended 31st March, 2014.

Registered Office :  
2/8, Roop Nagar,  
Delhi -110007

By order of the Board of Directors

**Devinder Kumar Jain**  
Chairman cum Managing Director  
DIN : 00191539

Place: Delhi  
Date: 31st July, 2014

## BOARD COMMITTEES

The Board of Directors has constituted the following committees with adequate delegation of powers.

### 1. AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

|                       |   |                                     |
|-----------------------|---|-------------------------------------|
| Independent Directors | — | Shri Vijender Kumar Jain – Chairman |
|                       | — | Shri Joginder Pal Jain              |
|                       | — | Prof. M. P. Gupta                   |
|                       | — | Shri Sunil Jain                     |

The members of the Audit Committee are well experienced in the field of finance, accounts and management. Two members of the Committee including the Chairman are Chartered Accountants. The powers and terms of reference of the committee are as contained in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Meetings of the Committee during the year were held on 20th April, 2013, 30th May, 2013, 31st July, 2013, 31st October, 2013 & 31st January, 2014.

#### (B) Details of Meetings of Audit Committees held during the year 2013-14

| Name of the Member       | No. of Meetings held | No. of Meetings attended |
|--------------------------|----------------------|--------------------------|
| Shri Vijender Kumar Jain | 5                    | 4                        |
| Shri Joginder Pal Jain   | 5                    | 4                        |
| Prof. M. P. Gupta        | 5                    | 5                        |
| Shri Sunil Jain          | 5                    | 4                        |

\* Ceased to be Chairperson/member w.e.f. 05.10.2013.

\*\* Appointed as Chairman/member w.e.f. 31.10.2013.

### 2. NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee consists of following Directors.

|                       |   |                                  |
|-----------------------|---|----------------------------------|
| Independent Directors | — | Shri Mohan Lal Mangla – Chairman |
|                       | — | Shri Gulshan Rai Jain            |
|                       | — | Shri Sunil Jain                  |

The terms of reference of the committee are as contained in Clause 49 of the Listing Agreement with the Stock Exchanges and as specified in schedule XIII of the Companies Act, 1956.

The Meeting of the committee were held on 5th April, 2013. The Committee approved the remuneration of all the Executive Directors.

The appointment and remuneration of all the Executive Directors have been fixed in terms of Resolutions passed by members in General Meetings.

Remuneration paid to the Executive Directors during the financial year ended 31.03.2014 is given below:

| (Amount in ₹)            |                              |           |         |       |              |            |             |                             |
|--------------------------|------------------------------|-----------|---------|-------|--------------|------------|-------------|-----------------------------|
| Name                     | Designation                  | Salary    | HRA     | PF    | Medical Exp. | Car Perks* | Other Perks | Contract Period No. of Yrs. |
| Shri Devinder Kumar Jain | Chairman<br>Cum Mg. Director | 1,740,000 | 870,000 | 9,360 | 112,173      | 39600      | Refer note  | 3                           |
| Shri Darshan Kumar Jain  | Whole Time Director          | 1,740,000 | 870,000 | 9,360 | 232,482      | 39600      | Refer Note  | 3                           |
| Shri Narinder Kumar Jain | Managing Director            | 1,740,000 | 870,000 | 9,360 | 49,667       | 39600      | Refer Note  | 3                           |
| Shri Arun Jain           | Whole Time Director          | 1,440,000 | 720,000 | 9,360 | 70,843       | 39600      | Refer Note  | 3                           |
| Shri Manish Jain         | Whole Time Director          | 1,440,000 | 720,000 | 9,360 | 44,971       | 32400      | Refer Note  | 3                           |
| Shri Pankaj Jain         | Whole Time Director          | 1,440,000 | 720,000 | 9,360 | 45,476       | 32400      | Refer Note  | 3                           |
| Shri Neeraj Jain         | Whole Time Director          | 1,440,000 | 720,000 | 9,360 | 57,570       | 32400      | Refer Note  | 3                           |

\* Car with Driver partly for personal use valued as per Income Tax Rules.





**Note: - Other Perks and Allowances**

In addition following Perks and Allowances were permissible / allowed/provided to all the Directors:

- i) Gratuity and Leave encashment as per actuarial valuation
- ii) Telephones provided for official use.

The sitting fees paid/payable to Non Executive Directors for the year ended on 31st March 2014 are as follows:

|                        |   |         |                          |   |         |
|------------------------|---|---------|--------------------------|---|---------|
| Shri Mohan Lal Mangla  | : | ₹ 6,000 | Shri Sunil Jain          | : | ₹ 6,000 |
| Shri Joginder Pal Jain | : | ₹ 6,000 | Shri Gulshan Rai Jain    | : | ₹ 6,000 |
| Prof. M.P. Gupta       | : | ₹ 6,000 | Shri Vijender Kumar Jain | : | ₹ 1,500 |
| Shri Vijay Kumar Sood  | : | ₹ 6,000 |                          |   |         |

**Detail of Shareholding of Non-Executive Directors**

| Name                  | No. of Equity Shares held | Name            | No. of Equity Shares held |
|-----------------------|---------------------------|-----------------|---------------------------|
| Shri Mohan Lal Mangla | : 1000                    | Shri Sunil Jain | : -                       |

(As Second Joint holder with Mr. Aman Mangla -First holder).

|                        |   |     |                          |   |       |
|------------------------|---|-----|--------------------------|---|-------|
| Shri Joginder Pal Jain | : | 100 | Shri Gulshan Rai Jain    | : | 2,000 |
| Prof. M.P. Gupta       | : | —   | Shri Vijender Kumar Jain | : | -     |
| Shri Vijay Kumar Sood  | : | —   |                          |   |       |

**3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

The Committee consists of following Directors.

|                         |   |                                   |
|-------------------------|---|-----------------------------------|
| Shri Sunil Jain         | — | Chairman – Non Executive Director |
| Shri Darshan Kumar Jain | — | Executive Director                |
| Shri Pankaj Jain        | — | Executive Director                |
| Shri Neeraj Jain        | — | Executive Director                |

Shri Pankaj Jain, Director acted as Compliance officer.

The terms of reference of the committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

The Meetings of the Committee were normally held one/two times in a month during the year 2013–14.

The Committee is looking after the work of Share Transfer/Transmission/Split/ Consolidation of Shares and Investors grievances. Any two of the above are authorized to consider and approve the Share Transfer/Transmission/Split/Consolidation of Shares.

|   |   |     |
|---|---|-----|
| Total No. of Complaints received during the year                | : | Nil |
| No. of unsolved complaints to the satisfaction of Shareholders  | : | Nil |
| No. of transfers pending for registration for more than 30 days | : | Nil |

**GENERAL BODY MEETINGS**

(I) Details of location and time of holding the last three AGMs.

| Year            | Location  | Date & Time                       |
|-----------------|---|-----------------------------------|
| 32nd AGM – 2011 | 2/8, Roop Nagar, Delhi- 110 007                             | 30th September, 2011 – 10.30 A.M. |
| 33rd AGM – 2012 | Amitabh, E-23, Bungalow Road,<br>Kamla Nagar, Delhi 110 007 | 29th September, 2012 – 10.30 A.M. |
| 34th AGM - 2013 | Amitabh, E-23, Bungalow Road,                               | 30th September, 2013 – 10.30 A.M. |

Kamla Nagar, Delhi 110 007

- (a) No other Shareholders' Meeting was held in the last three years.
- (b) In the AGM held on 30th September, 2011 four Special Resolutions were passed in respect of re-appointment of Shri Manish Jain, Shri Pankaj Jain, Shri Neeraj Jain and Shri Arun Jain for a period of three years as Whole Time Directors w.e.f. 01.10.2011 and fixation of their remuneration.
- (c) In the AGM held on 29th September, 2012 three Special Resolutions were passed in respect of re-appointment of Shri Devinder Kumar Jain as Chairman cum Managing Director, Shri Narinder Kumar Jain as Managing Director and Shri Darshan Kumar Jain as Whole Time Director for a period of three years w.e.f. 16.03.2013 and fixation of their remuneration and also restructuring their remuneration w.e.f. 01.04.2012. Further, four Special Resolutions were passed in respect of modification/restructuring of remuneration of Shri Manish Jain, Shri Pankaj Jain, Shri Neeraj Jain and Shri Arun Jain w.e.f. 01.04.2012.
- (d) In the AGM held on 30th September, 2013 no Special Resolutions was passed.
- (e) There has been no use of Postal Ballot so far.

#### **Unclaimed Dividends**

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Dividends declared which remained unpaid or unclaimed for a period of 7 years have already been transferred to Investor Education and Protection Fund of the Central Government as reported in earlier years. The Company has not declared any dividend for the financial years from 2000-01 and onward.

#### **Disclosures**

##### **Related party disclosure**

Related party disclosures are given at Note No. 35 in relation to Notes on Accounts to Financial Statements of the Company. The transactions with the related parties were not in conflict with the interests of the Company at large.

The Company has complied with the requirements of the regulatory authorities on capital markets. There have been no instances of non compliance on matters related to capital markets and no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years. Criminal complaints for the year ended 31.03.2007 filed by The Registrar of Companies, Delhi against the Company and its Managing / Whole Time Directors under section 629A of the Companies Act, 1956 for contraventions of Sections 125, 266F, 212(9), 297, 211 and 209 of the Act have since been compounded by Hon'ble Company Law Board/Regional Director.

#### **CEO/CFO Certification**

A Certificate from Chairman cum Managing Director and Finance Head as per the requirements of clause 49. V of the Listing Agreement with the Stock Exchanges was placed before the Board regarding the Financial Statements of the Company, Specified Transactions, Internal Controls, Significant Changes, if any, in Accounting Policies, for the year ended 31st March, 2014.

#### **Means of Communication**

The Quarterly, Half Yearly and Annual Results are regularly submitted to Stock Exchanges and are published in daily newspapers - Pioneer (English & Hindi). The Quarterly, Half Yearly Results were not sent to household of Shareholders.

The Company has not displayed any official news release on the Company's website. No presentations were made to any institutional investors or analysts.

#### **Management Discussion & Analysis**

Management Discussion & Analysis forms part of the Annual Report.

#### **GENERAL SHAREHOLDER INFORMATION**

##### **a) 35th Annual General Meeting**

|               |   |  |
|---------------|---|--|
| Date and Time | : | 30th September, 2014 – 10.30 AM          |
| Venue         | : | AMITABH, 2nd Floor, E-23, Bungalow Road, |



Kamla Nagar, Delhi –110 007.

**b) Financial Calendar**

Financial Year : 1st April to 31st March

For the year ended 31st March 2014, the quarterly results were announced as under:-

1st Quarter ended 30th June 2013 : 31st July 2013  
2nd Quarter ended 30th September 2013 : 31st October 2013  
3rd Quarter ended 31st December 2013 : 31st January 2014  
4th Quarter ended 31st March 2014 : 30th May 2014

For the year ending 31st March 2015, the schedule of announcement of results is as under:-

1st Quarter ended 30th June 2014 : 31st July 2014 – already announced  
2nd Quarter ending 30th September 2014 : Last week of October 2014  
3rd Quarter ending 31st December 2014 : Last week of January 2015  
4th Quarter ended 31st March 2015 : Last week of May 2015

**c) Book Closure Date**

From 23rd September 2014 to 30th September 2014 (both days inclusive)

**d) Dividend Payment Date** : Dividend not declared.

**e) Listing of Equity Shares** : Delhi and Mumbai

The listing fee has been paid up to date, to both the Stock Exchanges

**f) (i) Stock Code** : Mumbai Stock Exchange : 30545  
: Delhi Stock Exchange : 3177

(ii) Demat ISIN Numbers in NSDL & CDSL  
Equity Shares - INE 949B01018

**Stock Market Price Data: High low quotations on the Bombay Stock Exchanges during each month for the year 2013 -**

| Month           | Market Price* |         | BSE INDEX** |          |
|-----------------|---------------|---------|-------------|----------|
|                 | High (₹)      | Low (₹) | High        | Low      |
| April, 2013     | 41.65         | 34.00   | 19622.68    | 18144.22 |
| May, 2013       | 44.20         | 36.20   | 20443.62    | 19451.26 |
| June, 2013      | 43.00         | 40.85   | 19860.19    | 18467.16 |
| July, 2013      | 42.85         | 26.70   | 20351.06    | 19126.82 |
| August, 2013    | 26.65         | 23.35   | 19569.20    | 17448.71 |
| September, 2013 | 31.00         | 25.70   | 20739.69    | 18166.17 |
| October, 2013   | 32.75         | 31.20   | 21205.44    | 19264.72 |
| November, 2013  | 32.70         | 29.55   | 21321.53    | 20137.67 |
| December, 2013  | 31.05         | 31.05   | 21483.74    | 20568.70 |
| January, 2014   | 53.20         | 31.00   | 21409.66    | 20343.78 |
| February, 2014  | 55.10         | 43.50   | 21140.51    | 19963.12 |
| March, 2014     | 53.90         | 40.45   | 22467.21    | 20920.98 |

**Distribution of Shareholding as on 31st March, 2014**

| Cat Code   | Category of Shareholder                              | No. of Share Holders | Total No. of Shares | No. of Shares Held in Dematerialized Form | Total Shareholding As a Percentage of Total Number of Shares % of (A+B) | Total Shareholding As a Percentage of Total Number of Shares % of (A+B+C) | Shares Pledged or otherwise encumbered No. of Shares | As a %                      |
|--|--|----------------------|---------------------|---|---|---|--|-----------------------------|
| (I)  | (II)   | (III)                | (IV)                | (V)                                       | (VI)  | (VII)   | (VIII)   | (XI)=<br>(VII)/<br>(IV)*100 |
| <b>(A) Shareholding of Promoter and Promoter Group<sup>2</sup></b> |  |                      |                     |   |   |   |  |                             |
| <b>1. INDIAN</b>   |  |                      |                     |   |   |   |  |                             |
| (a)  | Individuals/ Hindu Undivided Family                  | 22                   | 1672800             | 1672800                                   | 40.20   | 40.20   | 0  | 0.00                        |
| (b)  | Central Government/ State Government(s)              |                      |                     |   | 0.00  | 0.00  |  | 0.00                        |
| (c)  | Bodies Corporate                                     | 1                    | 1447000             | 1447000                                   | 34.78   | 34.78   | 0  | 0.00                        |
| (d)  | Financial Institutions/ Banks                        |                      |                     |   | 0.00  | 0.00  |  | 0.00                        |
| (e)  | Any Others(Specify)                                  |                      |                     |   | 0.00  | 0.00  |  | 0.00                        |
| (e-i)  |  |                      |                     |   | 0.00  | 0.00  |  | 0.00                        |
| (e-ii)   |  |                      |                     |   | 0.00  | 0.00  |  | 0.00                        |
| <b>Sub Total A (1)</b>   |  | <b>23</b>            | <b>3119800</b>      | <b>3119800</b>                            | <b>74.98</b>  | <b>74.98</b>  | <b>0</b>   | <b>0.00</b>                 |
| <b>2. FOREIGN</b>  |  |                      |                     |   |   |   |  |                             |
| (a)  | Individuals (Non-Residents Individuals/foreign Ind.) | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (b)  | Bodies Corporate                                     | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (c)  | Institutions   | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (d)  | Any Others (Specify)                                 | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| <b>Sub Total A (2)</b>   |  | <b>0</b>             | <b>0</b>            | <b>0</b>                                  | <b>0.00</b>   | <b>0.00</b>   | <b>0</b>   | <b>0.00</b>                 |
| <b>TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>           |  |                      |                     |   |   |   |  |                             |
| <b>A=A(1)+A(2)</b>   |  | <b>23</b>            | <b>3119800</b>      | <b>3119800</b>                            | <b>74.98</b>  | <b>74.98</b>  | <b>0</b>   | <b>0.00</b>                 |
| <b>(B) PUBLIC SHAREHOLDING</b>                                     |  |                      |                     |   |   |   |  |                             |
| <b>1. INSTITUTIONS</b>   |  |                      |                     |   |   |   |  |                             |
| (a)  | Mutual Funds/ UTI                                    | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (b)  | Financial Institutions / Banks                       | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (c)  | Central Government/ State Government(s)              | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (d)  | Venture Capital Funds                                | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (e)  | Insurance Companies                                  | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (f)  | Foreign Institutional Investors                      | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (g)  | Foreign Venture Capital Investors                    | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| (h)  | Any Other (specify)                                  | 0                    | 0                   | 0   | 0.00  | 0.00  | 0  | 0.00                        |
| <b>Sub Total B (1)</b>   |  | <b>0</b>             | <b>0</b>            | <b>0</b>                                  | <b>0.00</b>   | <b>0.00</b>   | <b>0</b>   | <b>0.00</b>                 |



| <b>(B)2 NON-INSTITUTIONS</b>  |   |             |                |                |               |               |             |
|---|---|-------------|----------------|----------------|---------------|---------------|-------------|
| (a)   | Bodies Corporate  | 41          | 237300         | 235500         | 5.70          | 5.70          | 0.00        |
| (b)   | Individuals   |             |                |                | 0.00          | 0.00          | 0.00        |
| I   | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 1681        | 414091         | 321230         | 9.95          | 9.95          | 0.00        |
| II  | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.    | 15          | 287315         | 287315         | 6.90          | 6.90          | 0.00        |
| (c)   | N.R.I.(REPT & NON-REPT)   | 11          | 58589          | 58589          | 1.41          | 1.41          | 0.00        |
| (c-i)   | Clearing House/Public Trust   |             |                |                | 0.00          | 0.00          | 0.00        |
| (c-ii)  | Corporate Bodies - OCB  |             |                |                | 0.00          | 0.00          | 0.00        |
| (c-iii)   | Intermediary/Other Depository A/c   |             |                |                | 0.00          | 0.00          | 0.00        |
| (c-iv)  | Hindu Undivided Family  | 27          | 43905          | 43905          | 1.06          | 1.06          | 0.00        |
| (c-v)   | Clearing Members  | 0           | 0              | 0              | 0             | 0             | 0.00        |
| (c-vi)  | Qualified Foreign Investor -Individual  |             |                |                |               |               |             |
| (c-vii)   | Qualified Foreign Investor-Corporate  |             |                |                |               |               |             |
| <b>Sub Total B (2)</b>  |   | <b>1775</b> | <b>1041200</b> | <b>946539</b>  | <b>25.02</b>  | <b>25.02</b>  | <b>0.00</b> |
| <b>TOTAL PUBLIC SHAREHOLDING B= B(1)+B(2)</b>   |   | <b>1775</b> | <b>1041200</b> | <b>946539</b>  | <b>25.02</b>  | <b>25.02</b>  | <b>0.00</b> |
| <b>TOTAL OF A+B</b>   |   | <b>1798</b> | <b>4161000</b> | <b>4066339</b> | <b>100.00</b> | <b>100.00</b> | <b>0.00</b> |
| <b>(C) Shares Held By Custodians And Against Which Depository Receipts Have Been Issued</b> |   |             |                |                |               |               |             |
| 1   | Promoter and Promoter Group   | 0           | 0              | 0              | 0             | 0.00          | 0.00        |
| 2   | Public  | 0           | 0              | 0              | 0             | 0.00          | 0.00        |
| <b>Grant Total C</b>  |   | <b>0</b>    | <b>0</b>       | <b>0</b>       | <b>0</b>      | <b>0.00</b>   | <b>0.00</b> |
| <b>Grant Total (A+B+C)</b>  |   | <b>1798</b> | <b>4161000</b> | <b>4066339</b> | <b>100.00</b> | <b>100.00</b> | <b>0.00</b> |

#### Dematerialization of Shares and liquidity

The Shares of the Company are traded in DEMAT mode. The Company has entered into an agreement with National Securities Depository Limited and Central Depository Services (India) Ltd. The shares of the Company were dematerialized w.e.f. 27th November 2000. Approx. 97.7 % of the Equity Shares of the Company have been dematerialized as on March 31st 2014.

#### REGISTRAR AND TRANSFER AGENTS

Securities Transfer work in respect of both physical and Demat segment are handled by the Registrar and Share Transfer Agents (R & TA) of the Company for all aspects of investor servicing relating to shares. The Share Transfers were approved by the Shareholders/Investors Grievance Committee of the Company.

#### Plant Location:

The Factory is situated at : 1688-2/31, Railway Road, Near Railway Station,  
Gurgaon- 122001 (Haryana)  
Phones: 91-124-2251781, 2251782, 2251783  
Email: gurgaon@cosco.in

#### Address for Correspondence:

For Share Transfer/Demat of Share or any other query relating to Shares:  
M/s Skyline Financial Services Pvt. Ltd.,  
D – 153/A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020.  
Ph. 91-11- 26812682, Tele-Fax: 91-11- 26812683, E-mail ID: admin@skylinerta.com.

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**Status of compliances of Non mandatory requirements**

1. The Board: The Company is headed by an Executive Chairman cum Managing Director.
2. Remuneration Committee: The Company has constituted Remuneration Committee details whereof are given herein above in this report.

The Company has not adopted the non-mandatory requirements of Clause 49 of the Listing Agreement except as stated hereinabove.

**ANNEXURE TO DIRECTORS' REPORT**

**ANNEXURE – 'B2'**

**CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

**TO THE MEMBERS OF**

**COSCO INDIA LIMITED**

1. We have examined the compliance of conditions of corporate governance by Cosco India Ltd., for the year ended on 31.3.2014, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange(s).
2. The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For AKHIL ROHATGI & CO.**  
Company Secretaries

**(AKHIL ROHATGI)**  
Company Secretary in Practice  
C.P. No. 2317

Place: New Delhi  
Date : 31st July, 2014



## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE - 'C'

#### MANAGEMENT DISCUSSION AND ANALYSIS (MD & A)

This may be read in conjunction with the Directors' Report

#### Economic Scenario

The macroeconomic environment continues to be uncertain. Indian economy remains constrained by slow growth Industry and Service sectors also witnessed slowdown. The economy is projected to grow in the range of 5.4 - 5.9 per cent in 2014-15 overcoming sub-5% growth. Inflationary pressures continue. Global GDP is showing signs of recovery. The majority of the world's economic growth will continue to be derived from the emerging markets, particularly in Asia. The effective steps taken by the government, resulted in controlling widening trade gap supplemented by moderate export growth in 2013-14.

#### Industry Structure and Developments

The sports goods industry in India has witnessed consistent growth over the past five decades and now occupies a place of prominence in the Indian economy in view of its massive potential for employment, growth and export. There has been an increasing emphasis on its planned development, aimed at optimal utilisation of resources for maximising the returns, particularly from exports.

Sports Goods Industry in India has been predominantly in small and tiny sector based on manual processes. The Indian Sports Goods Industry is gradually moving towards mechanization on a reasonable scale for increasing productivity and competitiveness of Indian Sports Goods Sector. The Industry is gradually adapting new technology to keep up with the changing global trends. Jalandhar, Meerut and Gurgaon are the main clusters of Sports Industry in India.

Sports Goods Industry in India is thriving for skilled & talented workforce. Supportive government policies and globalization. Overall development of Sports Sector in India is lagging due to inadequate infrastructure. Govt. of India and State Governments are gradually increasing budgetary allocations for Sports and taking progressive policy initiatives to promote Sports and Sports Industry. Budgetary allocations for Development of Sports in India have been quite less compared to the expenditure on sports by developed countries. Foreign Brands and overseas manufacturers/suppliers from China and other countries are having edge over Indian manufacturers.

The Indian Sports Goods & Toys industry is striving hard to maintain the momentum of growth under pressure of global economic slowdown. India's contribution to total world import of these items is less than 1%. As per export data with Sports Goods Export Promotion Council, India's Exports of Sports Goods and Toys during 2013-14 was Rs. 848 Crores against Rs. 768 Crores in 2012-13, registering growth of about 10.4% in rupee terms. The major goods that are exported from the country are cricket bats & balls, hockey sticks & balls, inflatable balls, Sports Ball Bladders, boxing equipment, fishing equipment and Carrom Boards, Chess, Table Tennis Equipments, General Exercise Equipments, different kinds of protective equipment etc. The main export destinations are United Kingdom, USA, Australia, Germany, France, South Africa.

#### Opportunities & Threats, Risks and Concerns:

The domestic market for Sports Goods and Health equipments etc. is expanding fast. Increasing popularity of sports among masses and awareness about Health & Fitness offers good market opportunity. The Sports Industry in India has some good quality manufacturing units and adequate skilled manpower base. Overseas buyers are looking for alternate sources of supply in addition to China.

Our Company markets Sports Goods and Health equipments mainly under its 'Cosco Brand', which is well recognized in the domestic market. The company manufactures mainly Sports Balls and is marketing wide range of various Sports Goods and Fitness Equipments. The products manufactured/traded by the company conform to International Standards. The Company on continuous basis upgrades the quality of its products with in-house R & D. The company has tie ups and arrangements with international reputed manufacturers /suppliers.

The company has immense potential to leverage upon its brand, accreditation and quality to increase sales and profitability. The company is also exploring new markets for export. Our Company has network of branches, distributors and about 800 authorized dealers in India and is one of the leading and most organized Indian Company in Sports Industry. The company is expanding its marketing network of Health and Fitness Goods.

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**Segment-wise product-wise performance**

The Company's products segments are classified broadly into two segments viz

- Own manufactured products viz Sports Balls
- Traded Goods viz Fitness Equipments and other sports goods.

The segment wise performance and relevant information is given in Notes on the Financial Statements (**Refer Note No. 34** of Notes on the Financial Statements – Segment Information)

**Outlook**

Sports and Fitness is gaining importance at all levels. The company see promising future of Sports in India as more Sports events are being organized in India on regular basis. The Sports Industry in India is expected to grow at an average annual growth of 5 percent.

**Threats**

1. Stiff competition from International Brands due to their growing popularity amongst Indian consumers;
2. Infringement of Company's Brand and Trade mark by grey market operators
3. Manpower constraints & increasing manpower costs;
4. Gap in demand and supply of power and high energy cost;
5. Continuous Erosion of purchasing power due to Inflation;

**Internal control systems and their adequacy.**

The internal control systems provide for policies, guidelines, authorizations and approval procedures. Your Company has in place adequate internal control systems and procedures commensurate with size and nature of its business. Audit Committee reviews Internal Audit Reports and adequacy of internal controls for ensuring checks and balances and that internal control systems are properly followed. The company is gradually enhancing the scope of Internal Audit to include Branches and physical verification of Assets and Stocks. The Company has appointed Internal Auditors who conduct Internal Audit periodically.

**Discussion on financial performance with respect to operational performance.**

The relevant information is given in the Directors' Report under headings Financial Results and Performance Review read with the Financial Statements.

**Material developments in Human Resources/Industrial Relations front.**

The Management believes in trust, transparency and teamwork. The management believes that Human Resources is the driving force towards progress of the Company and regards it as its most valuable asset. The thrust of the Company is to create responsive and market driven organization. The Company seeks to motivate and provide opportunities to its personnel to grow with the organization. The relations with employees remained cordial and satisfactory.





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## Compliance Certificate

To,

The Members

COSCO (INDIA) LIMITED.

2/8. Roop Nagar,

Delhi-110007.

We have examined the registers, records, books and papers of COSCO (INDIA) LIMITED as required to be maintained under the Companies Act, 1956/Companies Act, 2013 (the Act) and the rules made thereunder and also the provision contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. The Company was not required to file any forms or returns to the Regional Director, Central Government and Company Law Board during the Financial Year under scrutiny.
3. The Company has a paid up capital of ₹ 4,16,10,000/- (Rupees Four Crores Sixteen Lacs Ten Thousand Only).
4. The Board of Directors duly met Five times on 20.04.2013, 30.05.2013, 31.07.2013, 31.10.2013 and 31.01.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 26th September, 2013 to 30th September, 2013 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 30.09.2013 after giving due notice to the members of the Company and resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13.
  - i) The Company has delivered all the share certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of Act during the financial year.
  - ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) The Company has not posted warrants to any member of the Company as no dividend was declared during the financial year.
  - iv) There has not been any unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional director, alternate directors or casual directors. During the period under scrutiny Shri Vijender Kumar Jain, who was appointed as Additional Director on 31st October 2012, has been appointed as Director in the Annual General Meeting held on 30th September 2013.



15. The Company has not appointed Managing Director/Whole Time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year as no such securities were issued by the Company.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. The company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year. However, the Company has taken unsecured loans from Directors and Companies. As per the explanation given by the management, in our opinion, these loans are exempted under Rule 2(b)(ix) and 2(b)(iv) of the Companies (Acceptance of Deposits) Rules 1975.
24. The amount borrowed by the Company from directors, members, financial institutions, banks and other during the financial year is within the borrowing limits of the Company
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. The Registrar of Companies filed six criminal complaints for the year ended 31.03.2007 against the Company and its Managing / Whole Time Directors under section 629A of the Companies Act, 1956 in the Court of ACMM (Special Act), Tis Hazari, Delhi for contravention of Sections 125, 209, 211, 212(9), 266F, and 297 of the Act. These complaints have since been compounded by Hon'ble Company Law Board/ Regional Director.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

**For Akhil Rohatgi & Co.**  
Company Secretaries

**AKHIL ROHATGI**  
(Company Secretary in Practice)  
C.P. No.: 2317  
F.C.S. No.: 1600

Place : New Delhi

Date : 31st, July, 2014



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## Annexure A

### REGISTERS MAINTAINED BY THE COMPANY

- a) Register of Members under Section 150
- b) Minutes Book of Meetings of Shareholders, Board of Directors, Audit Committee, Nomination & Remuneration Committee and Shareholders/ Investors Grievance Committee.
- c) Register of Contract in which Directors are interested u/s 301.
- d) Register of Directors, Managing Director, Manager and Secretary under Section 303
- e) Register of Directors' Shareholdings under Section 307
- f) Register of Charges.
- g) Register of Investments
- h) Register of Allotment of shares.
- i) Register of Director's Attendance
- j) Register of Shareholder's Attendance

## Annexure B

### FORMS, RETURNS AND DOCUMENTS FILED BY THE COMPANY DURING THE FINANCIAL YEAR ENDING ON 31st MARCH, 2014.

- (a) Annual Returns in Form No. 20B on 19/11/2013.
- (b) Balance sheet, etc., under Section 220 in Form No. 23AC & ACA (XBRL) on 29/10/2013
- (c) Compliance Certificate in Form No. 66 on 09/10/2013
- (d) Form 23D on 24/10/2013 in respect of intimation of appointment of Cost Auditor.
- (e) Form 32 on 19.11.2013 in respect of change in the particular of Director.
- (f) Form 21 (4 forms) regarding intimation of order of CLB on 08.05.2013.
- (g) Form 21 (3 forms) regarding intimation of order of CLB on 23.06.2013.
- (h) Form 8 (6 forms) regarding particular for creation of charge on 18.01.2014, 14.02.2014, 25.02.2014, 26.02.2014, 12.03.2014 and 25.03.2014.

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## INDEPENDENT AUDITORS' REPORT

### THE MEMBERS,

### COSCO (INDIA) LTD.

#### Report on the Financial Statements

We have audited the accompanying financial statements of COSCO (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

**For Madan & Associates**  
Chartered Accountants  
Firm's Reg. No.000185N

Place : New Delhi  
Date : 30th May, 2014

**(C.A. M.K. Madan)**  
Proprietor  
M.No. 082214

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## Annexure to the Independent Auditors' Report

### [Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and location of the fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
  - (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at the end of the year by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted / taken to / from the parties listed in register U/S 301:
  - (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956.
  - (b) The company has taken loans from companies and directors at different rates of interest. Total no of parties from whom loan taken is 9 and the amount outstanding at the year end is ₹ 2048.34 lacs. The maximum outstanding during the year was ₹ 2051.53 lacs.
  - (c) In our opinion, the rates of interest of such loans are, prima facie not prejudicial to the interests of the Company and other terms and conditions of loans are not stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) The company has not entered into transactions exceeding value of ₹ 5 lacs each with the parties listed in the register under section 301 of the companies Act, 1956.
- (vi) The company has not received any public deposits during the year.



- (vii) Company has appointed external firm of Chartered Accountants as Internal Auditors. Internal auditor has issued audit report in respect of factory and head office on quarterly basis. We have gone through the scope of work, Audit Reports and compliance thereof. In our opinion the internal audit needs to be further strengthened to report on internal controls / checks operating in the organisation to make it commensurate with the size and nature of company's business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed dues, including Provident Fund, ESI, Investor Education and Protection Fund, Income-tax, Tax deducted at sources, tax collected at source, Professional Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2014 for a period of more than six months from the date they became payable.
- (x) The company does not have the accumulated losses at the end of financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xii) Since the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, so para 4 (xii) of order is not applicable.
- (xiii) As company is not a nidhi, chit fund or mutual benefit company, so paragraph 4 (xiii) of the order is not applicable.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments, so para 4(xiv) of order is not applicable.
- (xv) In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year
- (xvi) The company has not obtained any term loan during the year, so this para of order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) Since the company has not issued any debentures during the year, so para 4(xix) of order is not applicable.
- (xx) Since the company has not raised money by public issue during the previous year, so paragraph 4(xx) of the order is not applicable.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Madan & Associates**  
Chartered Accountants  
Firm's Reg. No.000185N

Place : New Delhi  
Date : 30th May, 2014

**(C.A. M.K. Madan)**  
M.No. 082214  
Proprietor

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(Amount in ₹ )

|                                       | NOTE | AS AT<br>31ST MARCH,<br>2014 | AS AT<br>31ST MARCH,<br>2013 |
|---------------------------------------|------|------------------------------|------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>      |      |                              |                              |
| <b>(1) Shareholders' Funds</b>        |      |                              |                              |
| (a) Share Capital                     | 2    | 41,610,000                   | 41,610,000                   |
| (b) Reserve and Surplus               | 3    | 143,783,296                  | 116,431,565                  |
| <b>(2) Non-Current Liabilities</b>    |      |                              |                              |
| (a) Long Term Borrowings              | 4    | 140,000,000                  | 140,000,000                  |
| (b) Other Long Term Liabilities       | 5    | 4,836,000                    | 4,454,939                    |
| (c) Deferred Tax Liabilities (Net)    | 6    | 415,147                      | -                            |
| (d) Long Term Provisions              | 7    | 4,750,577                    | 3,413,672                    |
| <b>(3) Current Liabilities</b>        |      |                              |                              |
| (a) Short Term Borrowings             | 8    | 220,938,558                  | 119,767,371                  |
| (b) Trade Payables                    | 9    | 42,687,890                   | 33,176,841                   |
| (c) Other Current Liabilities         | 10   | 43,311,015                   | 137,519,070                  |
| (d) Short Term Provisions             | 11   | 20,900,113                   | 12,475,746                   |
| <b>Total Equity &amp; Liabilities</b> |      | <b><u>663,232,596</u></b>    | <b><u>608,849,204</u></b>    |
| <b>II. ASSETS</b>                     |      |                              |                              |
| <b>(1) Non-Current Assets</b>         |      |                              |                              |
| (a) Fixed Assets :                    | 12   |                              |                              |
| (i) Tangible Assets                   |      | 39,618,153                   | 37,758,696                   |
| (ii) Intangible Assets                |      | 137,227                      | 131,823                      |
| (iii) Capital Work in Progress        |      | 197,396                      | 908,084                      |
| (b) Non-Current Investments           | 13   | 5,000                        | 5,000                        |
| (c) Deferred Tax Assets (Net)         | 6    | -                            | 4,050,826                    |
| (d) Long term Loans and Advances      | 14   | 1,936,812                    | 1,966,812                    |
| (e) Other Non-Current Assets          | 15   | 2,861,259                    | 1,552,058                    |
| <b>(2) Current Assets</b>             |      |                              |                              |
| (a) Current Investments               | 16   | 290,750                      | 309,525                      |
| (b) Inventories                       | 17   | 369,331,712                  | 341,584,928                  |
| (c) Trade Receivables                 | 18   | 166,176,572                  | 157,816,752                  |
| (d) Cash & Cash Equivalents           | 19   | 15,384,845                   | 32,775,609                   |
| (e) Short term Loans and Advances     | 20   | 67,292,870                   | 29,989,091                   |
| <b>Total Assets</b>                   |      | <b><u>663,232,596</u></b>    | <b><u>608,849,204</u></b>    |

 Significant Accounting Policies  
 Notes on Financial Statements

1 to 39

As per our report of even date.

**FOR MADAN & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGISTRATION NO. : 000185N

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
**C.A. M.K.MADAN**  
 Proprietor  
 M. No.82214

**D.K.JAIN**  
 Chairman Cum Mg. Director  
 DIN : 00191539

**N.K.JAIN**  
 Mg. Director  
 DIN : 00195619

**PLACE :** New Delhi  
**DATED :** 30th May, 2014





**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Amount in ₹ )

|  | NOTE      | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2014 | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2013 |
|--|-----------|---|---|
| I. Revenue from operations   | 21        | 1,050,040,171                             | 928,072,121                               |
| II. Other Income   | 22        | 5,355,656                                 | 2,285,091                                 |
| III. Total Revenue (I+II)  |           | <u>1,055,395,827</u>                      | <u>930,357,212</u>                        |
| IV. Expenses :   |           |   |   |
| (a) Cost of materials consumed   | 23        | 201,075,035                               | 176,458,423                               |
| (b) Purchase of Stock-in-Trade   | 24        | 482,678,140                               | 384,215,745                               |
| (c) Changes in inventories of Finished Goods,<br>Work-in-Progress and Stock-in-Trade | 25        | (20,028,013)                              | (413,777)                                 |
| (d) Employee benefit expense   | 26        | 96,685,310                                | 91,595,675                                |
| (e) Financial costs  | 27        | 27,673,750                                | 26,762,760                                |
| (f) Depreciation   | 12        | 7,617,445                                 | 7,263,184                                 |
| (g) Other expenses   | 28        | 206,624,969                               | 195,210,273                               |
| Total Expenses   |           | <u>1,002,326,636</u>                      | <u>881,092,283</u>                        |
| V. Profit before Prior Period, exceptional<br>and extraordinary items and Tax        |           | 53,069,191                                | 49,264,929                                |
| VI. Prior Period Adjustments - charges   | 29        | 478,110                                   | 639,811                                   |
| VII. Exceptional Items - charge  | 30        | 12,956,946                                | 26,368,382                                |
| VIII. Profit before extraordinary items and Tax                                      |           | <u>39,634,135</u>                         | <u>22,256,736</u>                         |
| IX. Extraordinary Items  |           | -   | -   |
| X. Profit before Tax   | (VIII-IX) | 39,634,135                                | 22,256,736                                |
| XI. Tax Expenses :   |           |   |   |
| Current Tax  |           | 7,816,432                                 | 7,688,657                                 |
| Deferred Tax   | 6         | 4,465,972                                 | 13,416,632                                |
| XII. Profit for the period from continuing operations                                |           | <u>27,351,731</u>                         | <u>1,151,447</u>                          |
| Basic & Diluted Earnings per share   | 31        | 6.57                                      | 0.28                                      |
| Nominal Value per share (in ₹ )  |           | 10.00                                     | 10.00                                     |

Significant Accounting Policies  
Notes on Financial Statements

1 to 39

As per our report of even date.

**FOR MADAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM'S REGISTRATION NO. : 000185N

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**C.A. M.K.MADAN**  
Proprietor  
M. No.82214

**D.K.JAIN**  
Chairman Cum Mg. Director  
DIN : 00191539

**N.K.JAIN**  
Mg. Director  
DIN : 00195619

PLACE : New Delhi  
DATED : 30th May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(Amount in ₹ )

|  | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2014 | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2013 |
|--|---|---|
| <b>A. Cash Flow from Operating Activities :</b>            |   |   |
| <b>Net Profit before tax</b>                               | <b>39,634,135</b>                         | 22,256,736                                |
| <b>Adjustments for :</b>                                   |   |   |
| Add : Depreciation   | 7,617,445                                 | 7,263,184                                 |
| Finance Cost   | 25,886,124                                | 25,435,477                                |
| Loss on sale of Assets                                     | -   | 10,043                                    |
| Assets written off   | 75,236                                    | 34,454                                    |
| Diminution in value of Investments in shares               | 4,250                                     | 79,701                                    |
| Corporate Guarantee Obligation                             | -   | 29,981,000                                |
| Bad & Doubtful Advances Provided                           | -   | 12,624,129                                |
| Less: Interest Income                                      | 158,150                                   | 66,098                                    |
| Dividend Income  | -   | 567                                       |
| Profit on sale of Assets                                   | 330,054                                   | 3,612,618                                 |
| Profit on sale of Investments                              | (51,476)                                  | -   |
| Diminution in value of Investments Prov. W/back            | 79,701                                    | 86,388                                    |
| <b>Operating Profit before Working Capital Changes</b>     | <b>72,700,761</b>                         | 93,919,053                                |
| <b>Adjustments for :</b>                                   |   |   |
| Trade and Other Receivables                                | (8,359,820)                               | (51,481,116)                              |
| Inventories  | (28,038,802)                              | (4,139,882)                               |
| Loans and Advances   | (34,240,136)                              | 14,210,389                                |
| Trade Payables   | 9,511,049                                 | (14,152,938)                              |
| Other Current Liabilities                                  | (320,388)                                 | 33,968,927                                |
| <b>Cash Generated from Operations</b>                      | <b>11,252,664</b>                         | 72,324,433                                |
| Less : Direct Taxes Paid                                   | 12,282,404                                | 21,105,289                                |
| Corporate Guarantee Obligation                             | -   | 29,981,000                                |
| <b>Net Cash (used in) / Flow From Operating Activities</b> | <b>(1,029,740)</b>                        | 21,238,144                                |
| <b>B. Cash Flow from Investing Activities :</b>            |   |   |
| Purchase of Fixed Assets                                   | (9,163,600)                               | (10,342,655)                              |
| Sale of Fixed Assets                                       | 646,800                                   | 4,019,870                                 |
| Sale of investments  | 42,750                                    | -   |
| Interest Received  | 158,150                                   | 66,098                                    |
| Dividend Received  | -   | 567                                       |
| <b>Net Cash Flow from / (used in) Investing Activities</b> | <b>(8,315,900)</b>                        | (6,256,120)                               |
| <b>C. Cash Flow from Financing Activities :</b>            |   |   |
| Proceeds From Borrowings                                   | 17,841,000                                | 15,951,181                                |
| Less : Interest Paid                                       | 25,886,124                                | 25,435,477                                |
| <b>Net Cash used in Financing Activities</b>               | <b>(8,045,124)</b>                        | (9,484,296)                               |
| <b>Increase in Cash and Cash Equivalents (A+B+C)</b>       | <b>(17,390,764)</b>                       | 5,497,728                                 |
| <b>Opening Cash and Cash equivalents</b>                   | <b>32,775,609</b>                         | 27,277,881                                |
| <b>Closing Cash and Cash equivalents</b>                   | <b>15,384,845</b>                         | 32,775,609                                |

As per our report of even date.

**FOR MADAN & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGISTRATION NO. : 000185N

**C.A. M.K.MADAN**  
 Proprietor  
 M. No.82214

**PLACE :** New Delhi  
**DATED :** 30th May, 2014

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
**D.K.JAIN**  
 Chairman Cum Mg. Director  
 DIN : 00191539

**N.K.JAIN**  
 Mg. Director  
 DIN : 00195619



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 1. SIGNIFICANT ACCOUNTING POLICIES

The Significant Accounting Policies followed by the Company are as stated below :

#### A. GENERAL

The Financial Statements are prepared on Mercantile Basis of Accounting following the Historical Cost Convention and the Principle of going concern. All assets and liabilities have been classified as Current or Non-Current considering the operational cycle of 12 months.

#### B. FIXED ASSETS

Fixed Assets including capital work in progress are stated at cost (net of grants received) including Taxes, Duties, Freight and other incidental expenses incurred in relation to acquisition and installation of the same. Depreciation has been provided on pro-rata basis (completed months of use) by Written Down value Method at the rate and manner prescribed in Schedule XIV of the Companies Act, 1956.

#### C. INVENTORIES

- (1) The inventories other than work-in-progress have been valued at the lower of cost and the net realisable value, cost means weighted average cost determined on FIFO basis.
- (2) The Company is engaged in the manufacturing and trading of various products. The cost of conversion has been worked out for all the products on the basis of weighted average cost derived by preparing the manufacturing account wherein 50% of the fixed production overheads are allocated to the units of production having regard to capacity utilisation which is reviewed after three years and accordingly allocation of overheads is made. For trading goods, cost means direct cost.
- (3) The net realisable value in respect of each category of products has been determined on the basis of list price less the necessary estimated cost to make the sale.
- (4) Work-in-progress is valued at direct cost plus cost of conversion (weighted average cost). The indirect expenses have been allocated on the proportionate basis of raw material lying in work-in-progress to total raw material consumed.
- (5) In the case of Synthetic Panel Sets the net realisable value of synthetic balls is taken and from the cost arrived, the cost of conversion of panel sets in to balls is reduced therefrom.
- (6) The net realisable value of finished goods in respect of export surplus balls has been determined consistently as under -
  - a) Stock lying for less than two years List price.
  - b) Stock lying for more than two years but less than five years List price less 25%.
  - c) Stock lying for more than five years List price less 40%.

#### D. RETIREMENT BENEFITS

##### a) Defined Contribution Plans

Contributions paid / payable to defined contribution plans comprising of provident fund and pension fund are charged on accrual basis.

##### b) Defined Benefit Plan

Gratuity for employees who have completed two years of service other than Directors in the whole time employment of the Company below 60 years of age is fully covered under the Group Gratuity scheme of Life Insurance Corporation of India. The amount paid to the trust has been charged to Statement of Profit & Loss. In respect of Directors, gratuity is provided during the year on actuarial valuation basis, subject to maximum limit of Rs. 10 lacs per director as per the Payment of Gratuity Act, 1972.

##### c) Other Long term employee benefits

Other long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

#### E. FOREIGN EXCHANGE TRANSACTIONS

Transactions in Foreign Currency including investments made in wholly owned subsidiary abroad are recorded at the exchange rate as on the date of transaction. For all foreign currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of Balance Sheet or at the contracted rate and the difference taken to Statement of Profit & Loss as exchange fluctuation loss or gain except in respect of liabilities, if any, for acquisition of fixed assets, in which case such exchange difference is adjusted in the carrying cost of the respective fixed assets.

#### F. INVESTMENT

Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair market value. Long Term Investments are valued at cost. Provision is made for diminution in value to recognise decline if any other than that of temporary nature.

#### G. REVENUE / EXPENDITURE

The Company is following mercantile system of accounting but certain items, i.e., over due Bank Interest on export and domestic sales realisation, insurance claims and interest in respect of import under usance LC other than Buyer's Credit are accounted for on actual / receipt basis.

#### H. EXPORT SALES

Export Sales are accounted for on the basis of date of shipment irrespective of the date of invoice as per Impex Policy.

#### I. BORROWING COST

Borrowing costs that are attributable to acquisition / construction of qualifying assets within the meaning of AS-16 issued by The Institute of Chartered Accountants of India are capitalised as a part of total cost of such assets. All other borrowing costs are charged to revenue. During the year ₹ nil (previous year ₹ nil) has been capitalised.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Amount in ₹)

|   | AS AT<br>31ST MARCH, 2014   | AS AT<br>31ST MARCH, 2013   |
|---|-----------------------------|-----------------------------|
| <b>2. SHARE CAPITAL</b>   |                             |                             |
| <b><u>AUTHORISED</u></b>  |                             |                             |
| 100,00,000 Equity Shares of ₹ 10 each   | 100,000,000                 | 100,000,000                 |
|   | <u>100,000,000</u>          | <u>100,000,000</u>          |
| <b><u>ISSUED, SUBSCRIBED AND PAID UP</u></b>  |                             |                             |
| 41,61,000 Equity Shares of ₹ 10 each  | 41,610,000                  | 41,610,000                  |
| <b>2.1 Equity Shares of ₹ 10 each</b>   | <b><u>No. of Shares</u></b> | <b><u>No. of Shares</u></b> |
| At beginning of the year  | 4,161,000                   | 4,161,000                   |
| Shares allotted during the year   | --                          | --                          |
|   | <u>41,610,000</u>           | <u>41,610,000</u>           |
| <b>2.2 Shareholder holding more than 5% Shares in the company:</b>  |                             |                             |
| <b><u>Name of Shareholder</u></b>   | <b><u>No. of Shares</u></b> | <b><u>%</u></b>             |
| Navendu Investment Co. Pvt. Ltd.  | 1,447,000                   | 35                          |
|   |                             | <b><u>No. of Shares</u></b> |
|   |                             | 1,447,000                   |
|   |                             | <b><u>%</u></b>             |
|   |                             | 35                          |
| <b>3. RESERVES &amp; SURPLUS</b>  |                             |                             |
| <b>A. Securities Premium Reserve</b>  |                             |                             |
| As per last Balance Sheet   | 31,230,000                  | 31,230,000                  |
| Addition during the period  | -                           | -                           |
| <b>Total (A)</b>  | <u>31,230,000</u>           | <u>31,230,000</u>           |
| <b>B. Other Reserves</b>  |                             |                             |
| General Reserve   |                             |                             |
| As per last Balance Sheet   | 115,796,780                 | 115,796,780                 |
| Addition during the period  | -                           | -                           |
| <b>Total (B)</b>  | <u>115,796,780</u>          | <u>115,796,780</u>          |
| <b>C. Surplus in Statement of Profit &amp; Loss</b>   |                             |                             |
| As per last Balance Sheet   | (30,595,215)                | (31,746,662)                |
| Add : Transfer from Statement of Profit & Loss  | 27,351,731                  | 1,151,447                   |
| <b>Total (C)</b>  | <u>(3,243,484)</u>          | <u>(30,595,215)</u>         |
| <b>Total (A+B+C)</b>  | <u>143,783,296</u>          | <u>116,431,565</u>          |
| <b>4. LONG TERM BORROWINGS</b>  |                             |                             |
| <b><u>(Unsecured)</u></b>   |                             |                             |
| <b><u>From Related Parties</u></b>  |                             |                             |
| i) Companies  | 40,000,000                  | 40,000,000                  |
| ii) Directors   | 100,000,000                 | 100,000,000                 |
|   | <u>140,000,000</u>          | <u>140,000,000</u>          |
| <b>4.1</b> Out of the total Unsecured Borrowings from related parties aggregating ₹ 204,833,502 (previous year ₹ 186,992,502), a sum of ₹ 140,000,000 (previous year ₹ 140,000,000) has been classified as long term borrowing (s) as per stipulation of the bank for availing credit limits. The balance amount has been considered short term borrowing(s). |                             |                             |
| <b>5. OTHER LONG TERM LIABILITIES</b>   | <b>4,836,000</b>            | 4,356,000                   |
| Security Deposits from Customers  | -                           | 98,939                      |
| Other Payables  | <u>4,836,000</u>            | <u>4,454,939</u>            |

5.1 It is considered that security deposits will not be paid to customers within 12 months from the Balance Sheet date.

5.2 Other Payables include Expense Creditors.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Amount in ₹)

|  | AS AT<br>31ST MARCH, 2014 | AS AT<br>31ST MARCH, 2013 |
|--|---------------------------|---------------------------|
| <b>6. DEFERRED TAX ASSET / (LIABILITY)</b>   |                           |                           |
| (a) <u>Deferred Tax Assets</u>   |                           |                           |
| (i) Related to other timing differences  | 1,636,420                 | 1,714,630                 |
| (ii) Related to carry forward loss   | -                         | 4,534,276                 |
| (b) <u>Deferred Tax Liability</u>  |                           |                           |
| (i) Related to fiscal allowance on fixed assets  | 2,051,567                 | 2,198,081                 |
|  | <u>(415,147)</u>          | <u>4,050,825</u>          |
| <b>7. LONG TERM PROVISIONS</b>   |                           |                           |
| Gratuity   | 2,651,949                 | 2,194,972                 |
| Leave Encashment   | 2,098,628                 | 1,218,700                 |
|  | <u>4,750,577</u>          | <u>3,413,672</u>          |
| <b>8. SHORT TERM BORROWINGS</b>  |                           |                           |
| a) <b>Secured</b>  |                           |                           |
| <b>From Banks</b>  |                           |                           |
| <b>WORKING CAPITAL LOANS</b>   |                           |                           |
| (i) Rupee Loans  | 134,417,409               | 43,345,046                |
| (ii) Foreign Currency Loans  | 21,687,647                | 29,429,823                |
| b) <b>Unsecured</b>  |                           |                           |
| <b>From Related Parties (Refer note no.4.1)</b>  |                           |                           |
| (i) Companies  | 18,191,421                | 12,160,421                |
| (ii) Directors   | 46,642,081                | 34,832,081                |
|  | <u>220,938,558</u>        | <u>119,767,371</u>        |
| <b>8.1</b> Working Capital Loans are secured against hypothecation of all moveable properties including plant & equipments, stocks of raw materials, semi-finished goods and manufactured goods and all book debts, bills and claims receivables. The loans from banks are collaterally secured against equitable mortgage of factory land/building & guaranteed by Executive Directors. |                           |                           |
| <b>9. TRADE PAYABLES</b>   |                           |                           |
| Micro, Small and Medium Enterprises  | 10,313,564                | 10,193,456                |
| Others   | 32,374,326                | 22,983,385                |
|  | <u>42,687,890</u>         | <u>33,176,841</u>         |
| The above information regarding micro, small and medium enterprises have been determined to the extent such parties are identified on the basis of information available with the Company, which has been relied upon by the Auditors.   |                           |                           |
| <b>10. OTHER CURRENT LIABILITIES</b>   |                           |                           |
| For Expenses   |                           |                           |
| Salary, Wages & Bonus  | 7,221,688                 | 6,796,763                 |
| For Statutory Dues   |                           |                           |
| Sales Tax / VAT  | 2,102,332                 | 2,123,440                 |
| Provident Fund & Pension Fund  | 859,157                   | 766,103                   |
| Income Tax Deducted At Source  | 3,090,250                 | 2,633,344                 |
| Other Statutory Dues   | 1,181,726                 | 615,139                   |
| Interest Accrued But Not Due   | 68,156                    | 232,609                   |
| Other Liabilities (Refer note no .10.1)  | 28,787,706                | 124,351,672               |
|  | <u>43,311,015</u>         | <u>137,519,070</u>        |
| <b>10.1</b> Other Liabilities include ₹ 2,67,50,969 (previous year ₹ 2,36,76,272) towards Interest Payable on unsecured short and long term borrowings.  |                           |                           |
| <b>11. SHORT TERM PROVISIONS</b>   |                           |                           |
| Income Tax   | 15,505,089                | 7,688,657                 |
| Gratuity   | 3,067,885                 | 3,295,105                 |
| Leave Encashment   | 1,402,643                 | 456,612                   |
| Excise Duty on Closing Stock of finished goods   | 924,496                   | 1,035,372                 |
|  | <u>20,900,113</u>         | <u>12,475,746</u>         |
| <b>11.1</b> Provision for excise duty has been made on closing stock of finished goods lying in the store for sale. No provision has been created in respect of finished goods meant for export, job work, transferred to branches and lying in finishing store pending inspection and packing.  |                           |                           |

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**12. FIXED ASSETS**

(Amount in ₹)

| SR. NO. | DESCRIPTION                                 | GROSS BLOCK OF ASSETS (AT COST) |           |           |                                | ACCUMULATED DEPRECIATION      |                                  |                                | NET BLOCK                      |                                |
|---------|---|---------------------------------|-----------|-----------|--------------------------------|-------------------------------|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
|         |   | BALANCE AS AT 1ST APRIL, 2013   | ADDITIONS | DISPOSALS | BALANCE AS AT 31ST MARCH, 2014 | BALANCE AS AT 1ST APRIL, 2013 | DEPRECIATION CHARGE FOR THE YEAR | BALANCE AS AT 31ST MARCH, 2014 | BALANCE AS AT 31ST MARCH, 2014 | BALANCE AS AT 31ST MARCH, 2013 |
| I.      | <b>Tangible Assets</b>                      |                                 |           |           |                                |                               |                                  |                                |                                |                                |
| 1.      | Freehold Land (Refer foot note 12.2)        | 324,756                         |           |           | 324,756                        |                               |                                  |                                | 324,756                        | 324,756                        |
| 2.      | Buildings - Factory                         | 28,727,867                      | 1,461,797 |           | 30,189,664                     | 23,626,628                    | 594,111                          | 24,160,739                     | 6,028,925                      | 5,101,239                      |
| 3.      | Buildings - Other than Factory              | 11,384,565                      |           | 123,594   | 11,260,971                     | 5,807,110                     | 276,207                          | 6,013,028                      | 5,247,943                      | 5,577,455                      |
| 4.      | Temporary Shed                              | 575,557                         |           |           | 575,557                        |                               |                                  | 575,557                        | -                              | -                              |
| 5.      | Plant and Equipments (Refer foot note 12.1) | 85,887,717                      | 675,475   | 868,163   | 85,695,029                     | 70,538,338                    | 2,185,801                        | 71,967,208                     | 13,727,821                     | 15,349,379                     |
| 6.      | Mould                                       | 31,416,435                      | 1,359,711 |           | 32,776,146                     | 29,963,688                    | 991,451                          | 30,955,139                     | 1,821,007                      | 1,452,747                      |
| 7.      | Dies  | 2,189,568                       | 130,446   |           | 2,320,014                      | 1,639,487                     | 206,574                          | 1,846,061                      | 473,953                        | 550,081                        |
| 8.      | Computer                                    | 4,868,755                       | 320,878   | 215,870   | 4,973,763                      | 4,287,103                     | 312,472                          | 4,386,650                      | 587,113                        | 581,652                        |
| 9.      | Office Equipments                           | 5,118,422                       | 571,986   | 64,401    | 5,526,007                      | 3,402,649                     | 285,755                          | 3,549,710                      | 1,976,297                      | 1,715,773                      |
| 10.     | Furniture and Fixtures                      | 7,344,658                       | 89,853    |           | 7,434,511                      | 6,473,984                     | 178,046                          | 6,652,030                      | 782,481                        | 870,674                        |
| 11.     | Vehicles                                    | 13,180,268                      | 5,201,141 | 1,073,418 | 17,307,991                     | 6,945,328                     | 874,626                          | 8,660,134                      | 8,647,857                      | 6,234,940                      |
|         |   | 191,018,568                     | 9,811,287 | 2,445,446 | 198,384,409                    | 153,259,872                   | 7,559,849                        | 158,766,256                    | 39,618,153                     | 37,758,696                     |
| II.     | <b>Intangible Assets</b>                    |                                 |           |           |                                |                               |                                  |                                |                                |                                |
| 1.      | Computer Software (Refer foot note 12.3)    | 230,800                         | 63,000    |           | 293,800                        | 98,977                        | 57,596                           | 156,573                        | 137,227                        | 131,823                        |
|         | <b>Total</b>                                | 191,249,368                     | 9,874,287 | 2,445,446 | 198,678,209                    | 153,358,849                   | 7,617,445                        | 158,922,829                    | 39,755,380                     | 37,890,519                     |
|         | <b>Previous Year</b>                        | 186,678,926                     | 9,434,571 | 4,864,129 | 191,249,368                    | 150,508,046                   | 4,412,381                        | 153,358,849                    | 37,890,519                     |                                |
| III.    | <b>Capital Work in Progress</b>             |                                 | 197,396   | -         | 197,396                        |                               |                                  |                                | 197,396                        | 908,084                        |

12.1 The Company has taken certain plant & equipments on lease from a company under the same management and from others. These machineries as per technical opinion obtained by the company are of immovable nature and permanently attached to the earth. The Company's future lease rentals under the operating lease arrangements as at the year end are as under:

|  | 31.03.2014 | 31.03.2013 |
|--|------------|------------|
| <b>Future Lease Rentals</b>                                    |            |            |
| Within 1 year  | 1,020,000  | 960,000    |
| Over 1 year but less than 5 years                              | 1,020,000  | 960,000    |
| Amount Charged to Statement of Profit & Loss (as part of rent) | 1,020,000  | 870,000    |

12.2 The lease term contains an option given to Company to renew the lease or purchase the equipments. The possession of land, belonging to the company, bearing Khasra No. 420, total area measuring 1 bigha, 19 biswas and 3 biswansi situated at village Gurgaon, is in dispute and company has filed a suit for getting possession of the same.

12.3 Computer Software amortised @40% on WDV basis considering it as part of computers.





## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

|  | AS AT<br>31ST MARCH, 2014 | (Amount in ₹)<br>AS AT<br>31ST MARCH, 2013 |
|--|---------------------------|--|
| <b>13. NON-CURRENT INVESTMENT</b>  |                           |  |
| <u>Government and other securities Unquoted</u>  |                           |  |
| 6 years National Savings Certificate (Non-Trade)   | 5,000                     | 5,000                                      |
|  | <u>5,000</u>              | <u>5,000</u>                               |
| <b>13.1</b> The National Saving Certificate of ₹ 5,000 shown as investment is in the name of a Director of the Company and the same is pledged with the Sales Tax Authorities, Mumbai.   |                           |  |
| <b>14. LONG TERM LOANS &amp; ADVANCES</b>  |                           |  |
| Advance for Immovable Properties (Refer Note 14.1)   | 12,624,129                | 12,624,129                                 |
| Security Deposits  | 1,936,812                 | 1,966,812                                  |
|  | <u>14,560,941</u>         | <u>14,590,941</u>                          |
| Less : Provision for Doubtful Advances   | 12,624,129                | 12,624,129                                 |
|  | <u>1,936,812</u>          | <u>1,966,812</u>                           |
| <b>14.1</b> Long Term Loans & Advances include advance for Immovable Properties aggregating ₹ 1,26,24,129 in respect of which the Builder/ Developer has earmarked three flats at Diamond Harbour Road, Kolkata at a transfer price of ₹ 69,00,000. On payment of registration charges these properties shall be physically handed over and registered in the name of the company. As certified by the builder / developer the properties for the balance amount shall be allocated in due course. As a matter of abundant precaution the amount has already been provided during the year ended 31.03.2013. |                           |  |
| <b>15. OTHER NON-CURRENT ASSETS</b>  |                           |  |
| (a) Trade Receivables  | 1,191,091                 | 1,828,859                                  |
| Less : Provision for doubtful debts  | 1,191,091                 | 1,828,859                                  |
| (b) Inventories (Refer Foot Notes):  |                           |  |
| (i) Raw Material   | 169,288                   | 243,626                                    |
| (ii) Finished Goods  | 120,007                   | 130,560                                    |
| (iii) Stock-in-Trade   | 1,104,359                 | 944,344                                    |
| (iv) Stores  | 73,201                    | 59,970                                     |
|  | <u>1,466,855</u>          | <u>1,378,500</u>                           |
| Less : Provision for Non Moving Stocks   | -                         | 203,663                                    |
| Loans & Advances   | 1,466,855                 | 1,174,837                                  |
|  | <u>1,394,404</u>          | <u>377,221</u>                             |
|  | <u>2,861,259</u>          | <u>1,552,058</u>                           |
| <b>15.1</b> Refer note no.1(C) of Significant Accounting Policies, regarding valuation of inventories.   |                           |  |
| <b>15.2</b> All inventories shown above are non-moving and valued at 5% of cost except some Finished Goods and Traded Goods which are valued at net realisable value as estimated by the management.   |                           |  |

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

|   | AS AT<br>31ST MARCH, 2014 | AS AT<br>31ST MARCH, 2013 |
|---|---------------------------|---------------------------|
| (Amount in ₹ )  |                           |                           |
| <b>16. CURRENT INVESTMENT</b>   |                           |                           |
| <u>In Mutual Fund - Unquoted</u>  |                           |                           |
| (11,319,211) 11,319,211 units UTI Master Share Unit Scheme (Growth) of ₹ 10 each  | <b>290,000</b>            | 290,000                   |
| Other Investments (Non Trade)   |                           |                           |
| In Equity Shares-Quoted, fully paid-up  |                           |                           |
| (5,000) 5,000 Antarctica Ltd. of ₹ 1 each   | <b>5,000</b>              | 5,000                     |
| (4,750) 4,750 Marksans Pharma Ltd. of ₹ 1 each  | -                         | 94,226                    |
|   | <b>5,000</b>              | 99,226                    |
| Less: Prov. for Diminution in value of Investment   | <b>4,250</b>              | 79,701                    |
|   | <b>750</b>                | 19,525                    |
|   | <b>290,750</b>            | 309,525                   |
| Aggregate Cost of Quoted Investments  | <b>5,000</b>              | 99,226                    |
| Aggregate Market Value of Quoted Investments  | <b>750</b>                | 19,525                    |
| <b>16.1</b> Other investments (current) are valued at lower of cost or net realisable value.  |                           |                           |
| <b>17. INVENTORIES</b>  |                           |                           |
| (As taken, valued and certified by the Management)  |                           |                           |
| (a) Raw Material  | <b>35,826,343</b>         | 29,035,491                |
| (b) Raw Material in Transit   | <b>1,736,100</b>          | 1,673,055                 |
| (c) Work in Progress  | <b>33,875,301</b>         | 37,513,109                |
| (d) Finished Goods  | <b>88,917,175</b>         | 83,438,430                |
| (e) Stock-in-Trade  | <b>200,399,435</b>        | 182,361,818               |
| (f) Stores  | <b>8,577,358</b>          | 7,563,025                 |
|   | <b>369,331,712</b>        | 341,584,928               |
| <b>17.1</b> Refer note no.1(C) of Significant Accounting Policies, regarding valuation of inventories.  |                           |                           |
| <b>17.2</b> Goods In Transit of ₹ 29,81,766 is included in the Inventories of Stock-in-Trade.   |                           |                           |
| <b>17.3</b> During the year the defective items of health and fitness equipment and spares of ₹ 8.33 lacs (previous year ₹ 9.44 lacs) included in stock in trade has been valued at scrap value and Inventory of traded goods amounting to ₹ 102.85 lacs included above is slow moving and valued at estimated realisable value as certified by the management. |                           |                           |
| <b>18. TRADE RECEIVABLES</b>  |                           |                           |
| (Unsecured and considered good)   |                           |                           |
| More than six months  | <b>2,935,567</b>          | 856,222                   |
| Others  | <b>163,241,005</b>        | 156,960,530               |
|   | <b>166,176,572</b>        | 157,816,752               |
| <b>19. CASH &amp; CASH EQUIVALENTS</b>  |                           |                           |
| Balances with Banks   | <b>14,390,229</b>         | 30,878,958                |
| Cash on hand  | <b>994,616</b>            | 1,896,651                 |
|   | <b>15,384,845</b>         | 32,775,609                |





## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

|  | AS AT<br>31ST MARCH, 2014                 | (Amount in ₹)<br>AS AT<br>31ST MARCH, 2013 |
|--|---|--|
| <b>20. SHORT TERM LOANS AND ADVANCES</b>   |   |  |
| (Unsecured and considered good)  |   |  |
| Advances recoverable in cash or in kind or<br>for value to be received :   |   |  |
| Duty Drawback Claim Refundable   | 1,416,061                                 | 751,607                                    |
| Product Focus Scheme Receivable  | 1,924,000                                 | 1,750,000                                  |
| Output Tax Receivable  | 96,851                                    | 18,292                                     |
| Capital Advances   | 900,158                                   | -  |
| Others Business Advances   | 31,480,145                                | 12,340,797                                 |
| Security Deposits  | 425,000                                   | 210,000                                    |
| Advance Tax Paid   | 31,050,655                                | 14,918,395                                 |
|  | <u>67,292,870</u>                         | <u>29,989,091</u>                          |
| <b>20.1</b> Advances recoverable include ₹ 38,560 recoverable from directors on account of TDS and expenses.   |   |  |
| <b>20.2</b> In the opinion of the board, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.  |   |  |
|  | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2014 | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2013  |
| <b>21. REVENUE FROM OPERATIONS</b>   |   |  |
| Sale of Products gross of Excise Duty<br>(including trading items & export)  | 1,051,654,725                             | 931,114,779                                |
| Less : Excise Duty Paid  | <u>7,913,227</u>                          | <u>8,288,291</u>                           |
| Sale of Products net of Excise Duty  | 1,043,741,498                             | 922,826,488                                |
| Sale of Services   | 402,883                                   | 308,183                                    |
| Other Operating Income   | 5,895,790                                 | 4,937,450                                  |
|  | <u>1,050,040,171</u>                      | <u>928,072,121</u>                         |
| <b>21.1 Products</b>   |   |  |
| i) Sports Balls & Latex Bladders for Sports Balls  | 424,158,695                               | 410,341,862                                |
| ii) Fitness Equipments, T.T., Cricket & other Sports Goods   | 619,582,803                               | 512,484,626                                |
|  | <u>1,043,741,498</u>                      | <u>922,826,488</u>                         |
| <b>21.2 EARNINGS IN FOREIGN EXCHANGE</b>   |   |  |
| FOB value of Exports   | 34,324,842                                | 31,333,044                                 |
| <b>21.3</b> Other operating income includes ₹ 2,670,323 (previous year ₹ 2,360,636) as Duty Drawback and ₹ 1,924,000 (previous year ₹ 1,750,000) towards value of licence granted by DGFT subsequent to the date of Balance Sheet, on account of exports made during the year under Product Focus Scheme. Income being in the nature of Export Incentive has been accounted for in terms of AS-9 issued by ICAI. |   |  |
| <b>22. OTHER INCOME</b>  |   |  |
| Interest received  | 158,150                                   | 66,098                                     |
| Other Non-operating Income   | 5,197,506                                 | 2,218,993                                  |
|  | <u>5,355,656</u>                          | <u>2,285,091</u>                           |
| <b>22.1</b> Other Non-Operating income includes ₹ 2,303,157 (previous year ₹ 2,197,643) towards Provisions Written Back for Doubtful Debts, Taxation, Excise Duty on Closing Stock of Finished Goods, Diminution in value of Investment and Non Moving Stock.  |   |  |

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

|  | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2014 |                      | (Amount in ₹)<br>FOR THE YEAR<br>ENDED<br>31ST MARCH, 2013 |                      |
|--|---|----------------------|--|----------------------|
| <b>23. RAW MATERIAL CONSUMED</b>                             |   |                      |  |                      |
| (Refer note no.32)   |   |                      |  |                      |
| Rubber   |   | 68,558,127           |  | 66,072,587           |
| Cloth  |   | 45,149,421           |  | 38,900,629           |
| Ball Covering Materials                                      |   | 21,288,947           |  | 17,815,392           |
| Chemicals & Solvent  |   | 43,084,494           |  | 35,015,287           |
| Nylon Yarn   |   | 4,145,335            |  | 4,043,769            |
| H.T.Labels   |   | 5,797,692            |  | 5,915,345            |
| Accessories, Fevicols and other materials                    |   | 13,051,019           |  | 8,695,414            |
|  |   | <u>201,075,035</u>   |  | <u>176,458,423</u>   |
| <b>24. PURCHASE OF STOCK-IN-TRADE</b>                        |   |                      |  |                      |
| Health Equipments & Fitness Accessories                      |   | 202,441,721          |  | 190,840,560          |
| T.T. & Cricket Equipments & other Sports Goods               |   | 280,236,419          |  | 193,375,185          |
|  |   | <u>482,678,140</u>   |  | <u>384,215,745</u>   |
| <b>25. CHANGES IN INVENTORIES</b>                            |   |                      |  |                      |
| <b>OPENING STOCKS</b>  |   |                      |  |                      |
| Finished Goods   | 83,568,991                                |                      | 90,248,321   |                      |
| Stock-in-Trade   | 183,306,163                               |                      | 168,946,175  |                      |
| Work in Progress   | <u>37,513,110</u>                         | 304,388,264          | <u>44,779,991</u>  | 303,974,487          |
| <b>CLOSING STOCKS</b>  |   |                      |  |                      |
| Finished Goods   | 89,037,182                                |                      | 83,568,991   |                      |
| Stock-in-Trade   | 201,503,794                               |                      | 183,306,163  |                      |
| Work in Progress   | <u>33,875,301</u>                         | 324,416,277          | <u>37,513,110</u>  | 304,388,264          |
|  |   | <u>(20,028,013)</u>  |  | <u>(413,777)</u>     |
| <b>25.1 Details of stock in trade acquired for trading :</b> |   |                      |  |                      |
|  | <u>Opening Stock</u>                      | <u>Closing Stock</u> | <u>Opening Stock</u>                                       | <u>Closing Stock</u> |
| Health Equipments & Fitness Accessories                      | 96,353,840                                | 77,429,672           | 78,819,854   | 96,353,840           |
| T.T & Cricket Equipments & other Sports Goods                | 86,952,323                                | 124,074,122          | 90,126,321   | 86,952,323           |
|  | <u>183,306,163</u>                        | <u>201,503,794</u>   | <u>168,946,175</u>   | <u>183,306,163</u>   |
| <b>26. EMPLOYEE BENEFITS EXPENSES</b>                        |   |                      |  |                      |
| Salaries and Wages including bonus                           |   | 81,618,388           |  | 77,969,330           |
| Contribution to Provident & Other Funds                      |   | 8,104,112            |  | 7,348,712            |
| Gratuity   |   | 1,466,573            |  | 1,824,954            |
| Staff Welfare  |   | 5,496,237            |  | 4,452,679            |
|  |   | <u>96,685,310</u>    |  | <u>91,595,675</u>    |

26.1 Staff Welfare includes medical expenses of ₹ 614,986 reimbursed to Directors (previous year ₹ 768,171).

**26.2 EMPLOYEE BENEFITS**

As per Accounting Standard AS-15 (Revised), the disclosures of Employee benefits as defined in the Accounting Standard are given below:-

**Defined Contribution Plans**

The Company makes contribution towards provident fund and pension fund. These funds are administered by Government of India. Under the schemes; the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:-



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

|   | YEAR ENDED<br>31ST MARCH, 2014 | (Amount in ₹ )<br>YEAR ENDED<br>31ST MARCH, 2013 |
|---|--------------------------------|--|
| Employer's contribution to provident fund   | 1,755,208                      | 1,598,538  |
| Employer's contribution to pension fund   | 3,414,879                      | 3,093,678  |
| <b>Defined Benefit Plan</b>   |                                |  |
| <b>Gratuity</b>   |                                |  |
| The Company provides the gratuity benefit to its employees through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India which administers the plan and determines the contributions required to be paid by the trust. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. |                                |  |
|   |                                | <b>Gratuity (Funded)</b>                         |
| <b>I. Change in the benefit obligation</b>  |                                |  |
| Defined benefit obligation at beginning of the year   | 11,912,782                     | 9,829,900  |
| Current service cost  | 784,345                        | 687,172  |
| Interest cost   | 953,023                        | 786,392  |
| Benefits paid   | 504,196                        | 710,806  |
| Actuarial (Gain) / Loss on obligations  | 841,382                        | 1,320,124  |
| Defined benefit obligation at the end of the year   | 13,987,336                     | 11,912,782                                       |
| <b>II. Change in plan assets</b>  |                                |  |
| Fair value of plan assets at the beginning of the year  | 12,720,628                     | 10,591,191                                       |
| Expected return on plan assets  | 1,112,177                      | 968,734  |
| Employer Contribution   | 1,391,322                      | 1,871,509  |
| Benefits paid   | 504,196                        | 710,806  |
| Fair value of plan assets at the year end   | 14,719,931                     | 12,720,628                                       |
| Actual return on plan assets  | 1,112,177                      | 968,734  |
| <b>III. Reconciliation of fair value of assets and obligations</b>  |                                |  |
| Fair value of plan assets at the end of the year  | 14,719,931                     | 12,720,628                                       |
| Present value of obligation at the end of the year  | 13,987,336                     | 11,912,782                                       |
| Funded Status   | 732,595                        | 807,846  |
| Net Asset / (Liability)   | 732,595                        | 807,846  |
| <b>IV. Expenses recognised during the year</b>  |                                |  |
| Current Service Cost  | 784,345                        | 687,172  |
| Interest Cost   | 953,023                        | 786,392  |
| Expected return on plan assets  | 1,112,177                      | 968,734  |
| Net actuarial (Gain) / Loss   | 841,382                        | 1,320,124  |
| Expenses charged to Statement of Profit & Loss  | 1,466,573                      | 1,824,954  |
| <b>V. Actuarial Assumptions</b>   |                                |  |
| Discount Rate   | 8% p.a                         | 8% p.a   |
| Salary Escalation   | 6% p.a                         | 6% p.a   |
| Expected return on plan assets  | 8% p.a                         | 8% p.a   |

The management of funds is entrusted with Life Insurance Corporation of India. The detail of investments made by them are not available.

**Leave Encashment**

It is an unfunded defined benefit plan for which the obligation is recognised on actuarial valuation basis. A sum of ₹ 1,825,959 has been provided and included in Salaries & Wages.

**26.3** Bonus provision under The Payment of Bonus Act,1965 for the year has been made on estimated basis and any adjustment on account of final liability will be made in the subsequent year.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

|  | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2014 | (Amount in ₹ )<br>FOR THE YEAR<br>ENDED<br>31ST MARCH, 2013 |
|--|---|---|
| <b>27. FINANCIAL COSTS</b>                 |   |   |
| Interest Expenses :                        |   |   |
| On Long Term Borrowings                    | 15,100,000                                | 14,600,000  |
| On Short Term Borrowings                   | 10,798,691                                | 10,840,083  |
| Bank Charges                               | 1,775,059                                 | 1,322,677   |
|  | <u>27,673,750</u>                         | <u>26,762,760</u>   |
| <b>28. OTHER EXPENSES</b>                  |   |   |
| Power & Fuel                               | 26,304,872                                | 24,626,528  |
| Other Manufacturing Expenses               | 36,621,025                                | 32,491,657  |
| Stores Consumed                            | 27,592,143                                | 24,479,137  |
| Repairs to Machineries                     | 5,407,884                                 | 4,803,670   |
| Central Excise Duty (Refer note no.28.3)   | 8,958,443                                 | 8,755,546   |
| Repairs to Building                        | 1,638,519                                 | 821,871   |
| Repairs to Others                          | 3,734,664                                 | 3,685,845   |
| Rent                                       | 5,368,404                                 | 4,905,020   |
| Rates & Taxes (excluding taxes on income)  | 5,906,216                                 | 2,604,271   |
| Insurance                                  | 1,625,297                                 | 1,296,134   |
| Travelling Expenses (Refer note no.28.1)   | 6,504,152                                 | 5,978,992   |
| Auditor's Remuneration :                   |   |   |
| (including Service Tax & Education Cess)   |   |   |
| For Audit                                  | 297,417                                   | 258,428   |
| For Tax Representation                     | 148,315                                   | 129,007   |
| For Other Services                         | 43,259                                    | 1,124   |
| Reimbursement of expenses                  | 35,852                                    | 53,739  |
| Transportation, Shipping & Packing Charges | 19,678,335                                | 18,666,658  |
| Commission, Discounts and Rebates          | 22,670,839                                | 17,895,432  |
| Provision for Doubtful Debts               | 346,652                                   | 674,023   |
| Bad Debts written off                      | 440,783                                   | 262,222   |
| Miscellaneous Expenses                     | 33,301,898                                | 42,820,969  |
|  | <u>206,624,969</u>                        | <u>195,210,273</u>  |

**28.1** Travelling Expenses include Directors' Travelling ₹ 2,828,279 (previous year ₹ 2,086,381).

**28.2 EXPENDITURE IN FOREIGN CURRENCY**

|   |                  |                  |
|---|------------------|------------------|
| Travelling  | 1,174,867        | 442,195          |
| Commission  | 87,221           | 27,488           |
| Royalty   | 2,889,993        | 2,511,000        |
| Subscription                                      | 283,102          | 64,265           |
| Ball Testing fees                                 | 217,829          | 135,324          |
| Legal & Professional Charges                      | 257,717          | -                |
| Interest & Swap Charges on Foreign Currency Loans | 495,887          | 1,090,940        |
|   | <u>5,406,616</u> | <u>4,271,212</u> |

**28.3** Excise Duty includes ₹ 924,496 towards Excise Duty On Closing Stock of Finished Goods and ₹ 7,952,377 towards Excise Duty on branch transfer.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

|   | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2014   | FOR THE YEAR<br>ENDED<br>31ST MARCH, 2013 |    |             |
|---|---|---|----|-------------|
| (Amount in ₹)   |   |   |    |             |
| <b>29. PRIOR PERIOD ADJUSTMENTS (CHARGE)</b>  |   |   |    |             |
| Licence & Fees  | -   | 104,000                                   |    |             |
| Rates & Taxes   | -   | 508,406                                   |    |             |
| Misc. Expenses  | 478,110   | 27,405                                    |    |             |
|   | <u>478,110</u>  | <u>639,811</u>                            |    |             |
| <b>30. EXCEPTIONAL ITEMS</b>  |   |   |    |             |
| <b>Expenditure</b>  |   |   |    |             |
| Corporate Guarantee obligation  | -   | 29,981,000                                |    |             |
| Foreign Exchange Difference on Corporate Guarantee  | 13,287,000  | -   |    |             |
| <b>Total (A)</b>  | <u>13,287,000</u>   | <u>29,981,000</u>                         |    |             |
| <b>Income</b>   |   |   |    |             |
| Profit on sale of Fixed Asset   | 330,054   | 3,612,618                                 |    |             |
| <b>Total (B)</b>  | <u>330,054</u>  | <u>3,612,618</u>                          |    |             |
| <b>Total (A-B)</b>  | <u>12,956,946</u>   | <u>26,368,382</u>                         |    |             |
| <b>31. EARNING PER SHARE</b>  |   |   |    |             |
| Net Profit After Tax  | 27,351,731  | 1,151,447                                 |    |             |
| Weighted Average No. of Equity Share  | 4,161,000   | 4,161,000                                 |    |             |
| Nominal Value of Equity Per Share   | 10  | 10  |    |             |
| Basic Earning per Share   | 6.57  | 0.28                                      |    |             |
| Diluted Earning per Share   | 6.57  | 0.28                                      |    |             |
| <b>32. The value of consumption of imported and indigenously obtained raw materials, stores and spares and the percentage of each to the total consumption :</b>  |   |   |    |             |
|   | %   | ₹   | %  | ₹           |
| i) Raw Materials  |   |   |    |             |
| Imported  | 6   | 12,604,018                                | 9  | 15,088,918  |
| Indigenous  | 94  | 188,471,017                               | 91 | 161,369,505 |
| ii) Stores & Spares   |   |   |    |             |
| Imported  | 4   | 1,761,945                                 | 2  | 1,205,532   |
| Indigenous  | 96  | 48,237,342                                | 98 | 48,052,200  |
| <b>33. VALUE OF IMPORTS ON C.I.F. BASIS</b>   |   |   |    |             |
| Raw Material  | 10,447,868  | 10,860,037                                |    |             |
| Stores Goods  | 1,188,831   | 1,428,684                                 |    |             |
| Traded goods  | 360,228,671   | 289,615,932                               |    |             |
| Capital Goods   | 349,457   | 1,873,822                                 |    |             |
| <b>34. Segment Information:</b>   |   |   |    |             |
| The company has identified two segments viz. Own Manufactured Products and Traded Goods. Segments have been identified and reported taking into account nature of products and services, the differing risk and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting : |   |   |    |             |
| (a)   | Expenses have been identified to a segment on the basis of sale of the respective segment to the total sale of the company. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable". |   |    |             |
| (b)   | Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".                    |   |    |             |

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

(i) Primary Segment Information

(Amount in ₹)

| SR. NO.   | PARTICULARS   | Own Manufactured Products |                    | Traded Goods          |                    | Unallocable           |                     | Total                 |                    |
|-----------|---|---------------------------|--------------------|-----------------------|--------------------|-----------------------|---------------------|-----------------------|--------------------|
|           |   | For The Year Ended on     |                    | For The Year Ended on |                    | For The Year Ended on |                     | For The Year Ended on |                    |
|           |   | 31st Mar., 2014           | 31st Mar., 2013    | 31st Mar., 2014       | 31st Mar., 2013    | 31st Mar., 2014       | 31st Mar., 2013     | 31st Mar., 2014       | 31st Mar., 2013    |
| <b>1</b>  | <b>Segment Revenue</b>  |                           |                    |                       |                    |                       |                     |                       |                    |
|           | Sales   | 424,158,695               | 411,664,382        | 619,582,803           | 511,162,106        |                       |                     | 1,043,741,498         | 922,826,488        |
|           | Sale of Services  |                           |                    | 402,883               | 308,183            |                       |                     | 402,883               | 308,183            |
|           | Other Income  | 7,567,482                 | 5,825,421          | 2,186,304             | 696,077            |                       |                     | 9,753,786             | 6,521,498          |
|           |   | <b>431,726,177</b>        | <b>417,489,803</b> | <b>622,171,990</b>    | <b>512,166,366</b> | -                     | -                   | <b>1,053,898,167</b>  | <b>929,656,169</b> |
| <b>2</b>  | <b>Segment Results</b>  |                           |                    |                       |                    |                       |                     |                       |                    |
|           | Profit Before Interest & Tax  | 17,318,183                | 18,292,915         | 61,927,098            | 57,033,731         |                       |                     | 79,245,281            | 75,326,646         |
|           | Less : Interest Expense   | 11,246,139                | 11,938,620         | 16,427,611            | 14,824,140         |                       |                     | 27,673,750            | 26,762,760         |
|           | Add : Other Income/(Expense)  |                           |                    |                       |                    | 1,497,660             | 701,043             | 1,497,660             | 701,043            |
|           | Profit before Prior Period, exceptional and extraordinary items and Tax | 6,072,044                 | 6,354,295          | 45,499,487            | 42,209,591         | 1,497,660             | 701,043             | 53,069,191            | 49,264,929         |
|           | Less : Prior Period Adjustments [charge] Exceptional Items              |                           |                    |                       |                    | 478,110               | 639,811             | 478,110               | 639,811            |
|           | Profit Before Tax & Extraordinary Items                                 |                           |                    |                       |                    | 12,956,946            | 26,368,382          | 12,956,946            | 26,368,382         |
|           | Less : Extraordinary Items  |                           |                    |                       |                    |                       |                     | 39,634,135            | 22,256,736         |
|           | Profit Before Tax   |                           |                    |                       |                    |                       |                     |                       |                    |
|           | Less : Tax  |                           |                    |                       |                    |                       |                     | 39,634,135            | 22,256,736         |
|           | Current Tax   |                           |                    |                       |                    |                       |                     |                       |                    |
|           | Deferred Tax  |                           |                    |                       |                    | 7,816,432             | 7,688,657           | 7,816,432             | 7,688,657          |
|           | Net Profit After Tax  |                           |                    |                       |                    | 4,465,972             | 13,416,632          | 4,465,972             | 13,416,632         |
|           |   |                           |                    |                       |                    |                       |                     | 27,351,731            | 1,151,447          |
| <b>3</b>  | <b>Other Information</b>  |                           |                    |                       |                    |                       |                     |                       |                    |
| <b>A.</b> | Segment Assets  | 267,201,833               | 259,379,334        | 336,525,285           | 289,490,272        |                       |                     | 663,232,596           | 608,849,203        |
| <b>B.</b> | Segment Liabilities   | 60,128,445                | 94,479,682         | 51,538,418            | 92,914,304         | 59,505,478            | 59,979,597          | 337,839,300           | 310,807,638        |
|           | Capital Expenditure   | 5,397,478                 | 7,025,294          | 3,766,121             | 3,317,361          | 226,172,437           | 123,413,652         | 9,163,599             | 10,342,655         |
|           | Depreciation  | 5,348,822                 | 5,314,504          | 2,268,623             | 1,948,680          |                       |                     | 7,617,445             | 7,263,184          |
| <b>C.</b> | <b>Working Capital (A-B)</b>  | <b>207,073,388</b>        | <b>164,899,652</b> | <b>284,986,867</b>    | <b>196,575,968</b> | <b>(166,666,959)</b>  | <b>(63,434,055)</b> | <b>325,393,296</b>    | <b>298,041,565</b> |



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**(ii) Secondary Segment Information**

**(Amount in ₹ )**

| Sr. No. | Particulars         | AS AT<br>31st Mar., 2014 | AS AT<br>31st Mar., 2013 |
|---------|---------------------|--------------------------|--------------------------|
| 1       | Segment Revenue     |                          |                          |
|         | - Within India      | <b>1,019,911,202</b>     | 898,662,544              |
|         | - Outside India     | <b>33,986,965</b>        | 30,993,625               |
|         | Total Revenue       | <b>1,053,898,167</b>     | 929,656,169              |
| 2       | Segment Assets      |                          |                          |
|         | - Within India      | <b>660,553,466</b>       | 608,658,220              |
|         | - Outside India     | <b>2,679,130</b>         | 190,983                  |
|         | Total Assets        | <b>663,232,596</b>       | 608,849,203              |
| 3       | Segment Liabilities |                          |                          |
|         | - Within India      | <b>337,839,300</b>       | 310,807,638              |
|         | - Outside India     |                          |                          |
|         | Total Liabilities   | <b>337,839,300</b>       | 310,807,638              |
| 4       | Capital Expenditure |                          |                          |
|         | - Within India      | <b>9,163,599</b>         | 10,342,655               |
|         | - Outside India     |                          |                          |
|         | Total Expenditure   | <b>9,163,599</b>         | 10,342,655               |

**35. Related Party Disclosure**

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related parties as defined in the Accounting Standard are given below :

**(i) List of Parties with whom transactions entered during the year**

**Companies under the same Management**

- 1 Cosco Polymer Industries (P) Ltd.
- 2 Vijay Vallabh Securities Ltd.
- 3 Cosco Polymer Lanka Pvt. Ltd.

**Key Management Personnel**

- |   |                     |                                 |
|---|---------------------|---------------------------------|
| 1 | Devinder Kumar Jain | Chairman Cum. Managing Director |
| 2 | Narinder Kumar Jain | Managing Director               |
| 3 | Darshan Kumar Jain  | Whole Time Director             |
| 4 | Pankaj Jain         | Whole Time Director             |
| 5 | Manish Jain         | Whole Time Director             |
| 6 | Neeraj Jain         | Whole Time Director             |
| 7 | Arun Jain           | Whole Time Director             |

**Relatives of Key Management Personnel**

- |   |                     |     |
|---|---------------------|-----|
| 1 | Devinder Kumar Jain | HUF |
| 2 | Narinder Kumar Jain | HUF |
| 3 | Prabha Jain         |     |
| 4 | Veena Jain          |     |

**(ii) Disclosure of transactions between the company and related parties and the status of outstanding balance as on 31st March 2014 :**

|   | AS AT<br>31st Mar., 2014 | AS AT<br>31st Mar., 2013 |
|---|--------------------------|--------------------------|
| <b>Companies under the same Management</b>  |                          |                          |
| <u>Corporate Guarantee</u>  |                          |                          |
| To secure fund based & non-fund based limits from Bank aggregating to USD Nil (Previous Year USD 20,05,000) | 108,841,425              |                          |
| Less:Liability recognised in the Balance Sheet  | -                        | 97,713,000               |
|   |                          | 11,128,425               |

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

|   | AS AT<br>31st Mar., 2014 | (Amount in ₹ )<br>AS AT<br>31st Mar., 2013 |
|---|--------------------------|--|
| <u>Advance payment for purchases</u>  |                          |  |
| Amount paid during the year   | 249,600                  | -  |
| Balance amount receivable at the year end   | 249,600                  | -  |
| <u>Inter Corporate Deposits</u>   |                          |  |
| Received during the year  | 7,097,000                | 2,500,000                                  |
| Repaid during the year  | 1,066,000                | 2,725,000                                  |
| Outstanding at the year end   | 58,191,421               | 52,160,421                                 |
| Interest paid / credited  | 4,952,696                | 4,694,680                                  |
| Guarantee   | 100,000                  | 100,000                                    |
| Lease Rent  | 960,000                  | 870,000                                    |
| <b><u>Key Management Personnel</u></b>  |                          |  |
| Remuneration  | 18,269,581               | 21,825,013                                 |
| Rent  | 453,600                  | 279,996                                    |
| Deposits  |                          |  |
| Received during the year  | 15,432,976               | 25,058,072                                 |
| Repaid during the year  | 3,622,976                | 8,881,890                                  |
| Outstanding at the year end   | 146,642,081              | 134,832,081                                |
| Interest Paid / Credited  | 15,461,312               | 13,705,142                                 |
| <b><u>Key Management Personnel's Relatives</u></b>  |                          |  |
| Rent  | 518,400                  | 320,004                                    |
| <b>36. <u>CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF</u></b>   |                          |  |
| (i) Claims against the company not acknowledged as debt :   |                          |  |
| Cases against the Company in Labour Court &<br>High Court by ex-employees   | 5,096,158                | 4,063,678                                  |
| (ii) <u>Guarantee</u>   |                          |  |
| (a) Outstanding Letters of Credit   | 32,451,531               | 5,781,330                                  |
| (b) To Sales Tax Authorities :  |                          |  |
| for group concerns  | 100,000                  | 100,000                                    |
| for others  | 527,303                  | 527,303                                    |
| (c) To State Electricity Board :  |                          |  |
| for others  | Not Ascertainable        | Not Ascertainable                          |
| (d) To Others   | 7,500,000                | 5,132,099                                  |
| (e) To Bank on behalf of Cosco Polymer Lanka Pvt.<br>Ltd., to secure fund based & non-fund based<br>limits (USD 20,05,000)  | -                        | 108,841,425                                |
| 37. No impairment loss is recognised as on 31.03.2014 since the present value of estimated future cash flows over a period of five years exceeds the carrying value of assets of the Company's cash generating units.   |                          |  |
| 38. The Equity Shares held by the company in Cosco Polymer Lanka (Private) Ltd. (erstwhile Subsidiary of the Company in Sri Lanka) stand vested in the Secretary to the Treasury of the Government of Sri Lanka under the Revival of Underperforming Enterprises or Underutilised Assets Act, No.43 of 2011 (of Republic of Sri Lanka) as per disclosures made in the last year Accounts. Cosco Polymer Lanka (Private) Ltd. has been ordered to be wound up by the Hon'ble High Court of the Western Province, Colombo. The management does not expect any realisable value of its investment in the erstwhile subsidiary which was written off in the earlier year. Accordingly, "Consolidated Financial Statements" as per Accounting Standard 21 issued by the of Chartered Accountants of India, have not been prepared. |                          |  |
| 39. The previous year figures have been regrouped / rearranged, wherever considered necessary to make them comparable with those of current year figure and also figures have been rounded off to nearest rupee.  |                          |  |

As per our report of even date.

**FOR MADAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM'S REGISTRATION NO. : 000185N

**(M.K. MADAN)**

Proprietor  
 M.No. 82214

**PLACE :** New Delhi

**DATED :** 30th May, 2014

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**D.K. JAIN**

Chairman-cum-Mg. Director  
 DIN : 00191539

**N.K. JAIN**

Mg. Director  
 DIN : 00195619





## COSCO (INDIA) LIMITED

Registered office: 2/8, Roop Nagar, Delhi – 110007  
Tel. No. 011-23843000, 23844000 & 23845000 Fax. No. 011-23846000  
Website: www.cosco.in, CIN: L25199DL1980PLC010173

### FORM NO. MGT-11 PROXY FORM

|  |  |  |  |
|--|--|--|--|
| Name of the members(s):<br>Registered address: |  | E-mail Id:<br>Folio No./<br>Client ID<br>DP ID |  |
|--|--|--|--|

I/We being the member(s) holding .....Shares of the above named Company, hereby appoint:

| 1. Name                               | 2. Name                               | 3. Name                               |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Address:                              | Address:                              | Address:                              |
| Email ID                              | Email ID                              | Email ID                              |
| Signature .....<br>or failing him/her | Signature .....<br>or failing him/her | Signature .....<br>or failing him/her |

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 35th Annual General Meeting of the Company, to be held on the 30th day of September, 2014 at 10:30 AM at AMITABH, E – 23 2nd Floor, Bungalow Road, Kamla Nagar, Delhi – 110 007 and at any adjournment thereof in respect of such resolution as are indicated below:

| Item No.           | Resolutions  | Optional*                |                                  |   |
|--------------------|--|--------------------------|----------------------------------|---|
|                    |  | No. of Shares held by me | I assent to the resolution (for) | I dissent from the resolution (Against) |
| Ordinary Business: |  |                          |                                  |   |
| 1                  | To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, Statement of Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' thereon. |                          |                                  |   |
| 2                  | Re-appointment of Shri Darshan Kumar Jain as director, who retires by rotation   |                          |                                  |   |
| 3                  | Re-appointment of Shri Manish Jain as director, who retires by rotation  |                          |                                  |   |
| 4                  | Appointment of M/s. Madan & Associates, Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration  |                          |                                  |   |
| 5                  | Appointment of Shri Arun Jain as Whole Time Director   |                          |                                  |   |
| 6                  | Appointment of Shri Manish Jain as Whole Time Director   |                          |                                  |   |



|    |  |  |  |  |
|----|--|--|--|--|
| 7  | Appointment of Shri Pankaj Jain as Whole Time Director           |  |  |  |
| 8  | Appointment of Shri Neeraj Jain as Whole Time Director           |  |  |  |
| 9  | Appointment of Smt. Nisha Paul as Independent Director           |  |  |  |
| 10 | Appointment of Shri Mahavir Prasad Gupta as Independent Director |  |  |  |
| 11 | Appointment of Shri Sunil Jain as Independent Director           |  |  |  |
| 12 | Appointment of Shri Gulshan Rai Jain as Independent Director     |  |  |  |
| 13 | Appointment of Mr. Mohan Lal Mangla as Independent Director      |  |  |  |
| 14 | Appointment of Shri Vijender Jain as Independent Director        |  |  |  |
| 15 | Appointment of Shri Vijay Kumar Sood as Independent Director     |  |  |  |

Signed this .....day of .....2014

Signature of Share Holder

Affix  
Revenue  
Stamp

Signature of Proxy Holder(s)

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

### **COSCO (INDIA) LIMITED**

Registered office: 2/8, Roop Nagar, Delhi – 110007

### **ATTENDANCE SLIP**

(Please complete the Attendance Slip and hand it over the entrance of the Meeting Hall)

I hereby record my attendance at the Thirty Fifth Annual General Meeting of the Company being held on 30th day of September, 2014 at 10:30 AM at AMITABH, E – 23 2nd Floor, Bungalow Road, Kamla Nagar, Delhi – 110 007

Member's/Proxy's Name (In Block Letters)

Signature of Shareholder / Proxy

Ledger folio/Client ID No. \_\_\_\_\_ DP ID No. \_\_\_\_\_

No. of Share held \_\_\_\_\_