

# Sportking INDIA LTD.

(Govt. Recognised Three Star Export House)

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Website : www.sportking.co.in GST No.: 03AAACS3037Q1ZA

**SIL/2022-23/BSE**

**14.05.2022**

To  
Listing Department  
BSE Limited  
Phiroze Jeeheebhoy Towers,  
Dalal Street, Mumbai-400001

**Sub: Investor's Presentation**

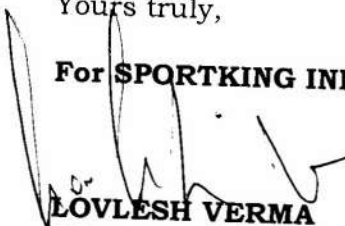
Dear Sir,

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find attached herewith copy of Investor's Presentation with respect to Performance of the Company for the quarter and financial year ended March 31, 2022.

You are requested to take the above mentioned information on your records.

Yours truly,

For **SPORTKING INDIA LIMITED**

  
**LOVLESH VERMA**  
**COMPANY SECRETARY**  
(ACS: 34171)



**Sportking**



**Investor Presentation - May 2022**

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**Business  
Overview**



## OVERVIEW

Established in **1989**

Export to more than **30**  
Countries

Owens **3** State of the art  
manufacturing facilities

**Diversified** Product  
Range

Manufacturing facilities with  
**Modern Technology**



Revenue  
**Rs. 2,154 Crs** **+65%**



EBITDA  
**Rs. 596 Crs** **+185%**  
*Margin at 28%*



PAT  
**Rs. 409 Crs** **+384%**  
*Margin at 19%*



Established in 1989,  
Sportking India Ltd.  
installed 6K+  
Ludhiana in 1993



Spinning increased by greenfield expansion with installation of 12K+ cotton spindles to 19K+ Spindles at Ludhiana (2<sup>nd</sup> unit) for manufacture of synthetic yarn. Capacity expanded from time to time. Present installed capacity- 66K+ spindles



Setting up of a Dye House for dyeing/ processing of textile yarn fibers



Initial started with Greenfield expansion with installation of 57K+ Cotton Spindles at Bathinda for manufacture of Cotton /Polyester Yarn.

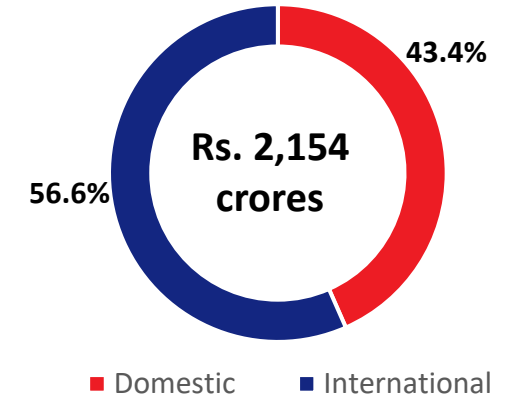


Successful expansion at Bathinda complex adding 68K+ spindles with state-of-the-art plant achieving a total overall spinning capacity 275K+ spindles.

# PRESENCE ACROSS THE GLOBE



## Geography Wise Revenue Break-up FY22



We are representing India on a world stage with exports worth more than US \$ 175 million.

# MANUFACTURING FACILITIES & CAPACITIES



Units	Manufacturing	Installed Capacities
Unit I - Spinning Unit	Acrylic/Blended Acrylic Polyester Yarn/ Blended Polyester Cotton yarn	<b>65,904 Spindles</b>
Unit II - Dye House	Support to Unit No. I & III for their synthetic fibre/ yarn dyeing processing	<b>15-20 MTPD</b>
Unit III - Spinning Unit	compact/contamination free cotton / Polyester cotton blended yarn	<b>2,08,800 Spindles</b>

**Capacity utilisation of all units more than 95%**



## TECHNOLOGICAL EDGE

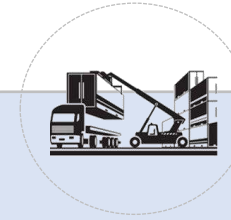
- Technologically advanced machineries to support our manufacturing infrastructure
- Robust control practices in place to ensure consistent quality of our products
- Use of modern testing instruments such as:
  - HVI
  - AFIS
  - Uster Classimat
  - Uster Tensest
  - Uster Hairiness tester



## STRATEGIC ADVANTAGES



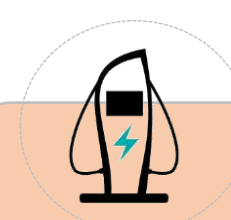
**Rail & Roads :** Helps in better connectivity with other parts of India.



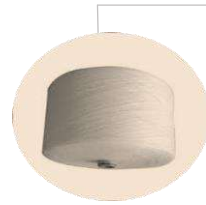
**Inland Container Depot(ICD):** ICD at Bathinda/Ludhiana for import/export clearances & regular road transport/train service availability between company's unit/ICD and different seaports.



The variable price of electricity will be Rs. 5.00 per Unit for the industry as announced by the Punjab Govt. w.e.f. 1st January 2018.



Electricity Duty and Infrastructure Development Fund of 13.33% of the cost of power (for the existing unit at Bathinda) has been waived by the Government of Punjab



### 100% Cotton Yarns

- 100% cotton combed compact yarns in normal and sublime quality for knitting and weaving
- 100% cotton combed compact slub
- 100% cotton combed Eli twist



### Polyester/Cotton Blended Yarns

- Polyester/cotton combed yarns
- Polyester/ cotton Melange yarns



### Fancy Yarns

- Jaspe yarns, Jaspe slub yarns, injection slub yarns and snow yarns.



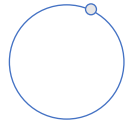
### Dyed Yarns

- 100 % cotton and PC blended dyed yarns



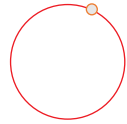
### Acrylic & Acrylic/Polyester Blended Yarns

- 100% Acrylic high bulk yarns
- 100% Acrylic Non bulk yarns
- Acrylic/ polyester blended high bulk yarns



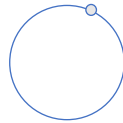
## Focus on excellence

Focus on delivering best & premium quality products to most quality conscious brands and customers.



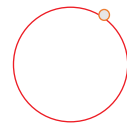
## Customer Driven Innovation

As a result of changing trends in both domestic & international markets accompanied with customer centric approach, our innovation initiatives are customer driven.



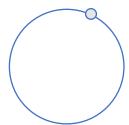
## Domestic & international markets

We have established ourselves as a prime producer of premium quality yarns and also as one of the largest exporters of cotton yarns to the most quality conscious garment brands across the globe



## Sale of products through dedicated dealer/agents & directly

A strong team of dedicated dealers/agents in domestic as well as international markets



## Dedicated marketing team

Located at corporate office ensuring quick responses to customer queries amidst continuously evolving market trends.



# BOARD OF DIRECTORS

## **Raj Kumar Avasthi** Chairman & Managing Director

- Raj Kumar Avasthi aged 76 years is experienced in Designing & Manufacturing of Apparel/Textile Business from last 54 years
- He is instrumental in the development of the company from 6K+ spindles 1995 to 275K spindles in 2019, a growth of 45 times during a span of 24 years

## **Munish Avasthi** Managing Director

- Munish Avasthi aged 48 years is having rich experience in Spinning/Textile Industry from last 28 years.
- The day-to-day operations of the company are looked after by him. He has been also awarded First Generation Entrepreneur Award for Textile Mills by Cotton Association of India in April 2018.

## **Naresh Jain** Executive/Whole Time Director

- Naresh Jain has enormous experience and exposure in managing textile and garment business.
- He is working as an executive/Whole time director of the company since 2009

## **Prashant Kochhar** Non-Executive Independent Director

- Prashant Kochhar is a renowned Fellow Chartered Accountant and Senior Partner in Khattak Kochhar & Co
- He manages the client base comprising of corporate clients & specializes in the areas of International Consulting and Taxation (Oil & Gas), Service Tax and Corporate Finance

## **Sandeep kapur** Non-Executive Independent Director

- Dr. Sandeep Kapur is professor of business management at Punjab Agricultural University, Ludhiana, India (PAU).
- He established Technology Marketing and IPR cell at PAU and designed various IPR related training courses. He has about 35 research papers to his credit in journals of national and international repute

## **Hapreet Kaur Kang** Non Executive Independent Director

- Ms. Harpreet Kaur Kang has done Graduation in Advance Business Program in International Business and International Marketing from Harvard University, USA.
- From the last 20 years she is working as a faculty member for MBA and BBA students teaching various subjects including International Business, Consumer Behaviour, etc.

**Praveen Kumar Gupta**  
Chief Financial Officer

- Praveen Kumar Gupta is a Chartered Accountant & Company Secretary with experience of over 38 years
- He looks after overall works related to Finance, Finalization of company's Balance sheet, Direct/Indirect taxation, Exports & Imports, key business decisions, etc.

**Shiv K. Sharma**  
President- Production

- Shiv K. Sharma is a B.Tech with an experience of over 37 years
- He look after the overall Project Implementation, Production, Development, and Maintenance of the company's Bathinda spinning unit

**D. S. Yadav**  
President – Pers. & Admin.

- D. S. Yadav has a Master Degree with specialization in Labour Welfare & Personnel Management & Industrial Relation with an experience of over 33 years
- He is responsible for overall handling & controlling of Personnel, Industrial Relations, HRD, Labour Welfare & General Administration of the company Ludhiana Units

**Rashim Jindal**  
President – Raw Material & Marketing

- Rashim Jindal is an MBA (Marketing) with over 28 years of experience
- He looks after overall Marketing with respect to both – Domestic & International markets
- Raw materials is also under his purview

**Ravi Parkash Gupta**  
EA to MD

- Mr. RP Gupta is a M.Tech (Textile) with over 35 years of experience
- He looks after the overall Commercial Operations of the company

# CERTIFICATES & COMPLIANCES

**Global Organic textile Standard**



**Organic Content Standard**



**Oeko-Tex**



**Fairtrade**



**ISO 9001 2015**



**Global Recycle Standard**





## Way Forward



# BUSINESS STRENGTHS

## 01 Product Range


Well diversified range of products suitable for use in manufacture of woven and knitted fabrics for summer and winter wear

## 02 Focus on Quality

Ensuring supply of high-quality yarns consistently

## 03 Customer centric Approach

Ensuring full customer satisfaction in terms of quality , prices, timely execution of orders and prompt after sales services



Our  
Strengths

## 04 Competitive Prices

Sportking enjoys price leadership status in all of the market segments due to its ability to supply high quality products regularly and consistently at the most competitive prices

## 05 Customer Queries resolution

Quick responses to customer queries and willingness to develop new products to meet customer requirement

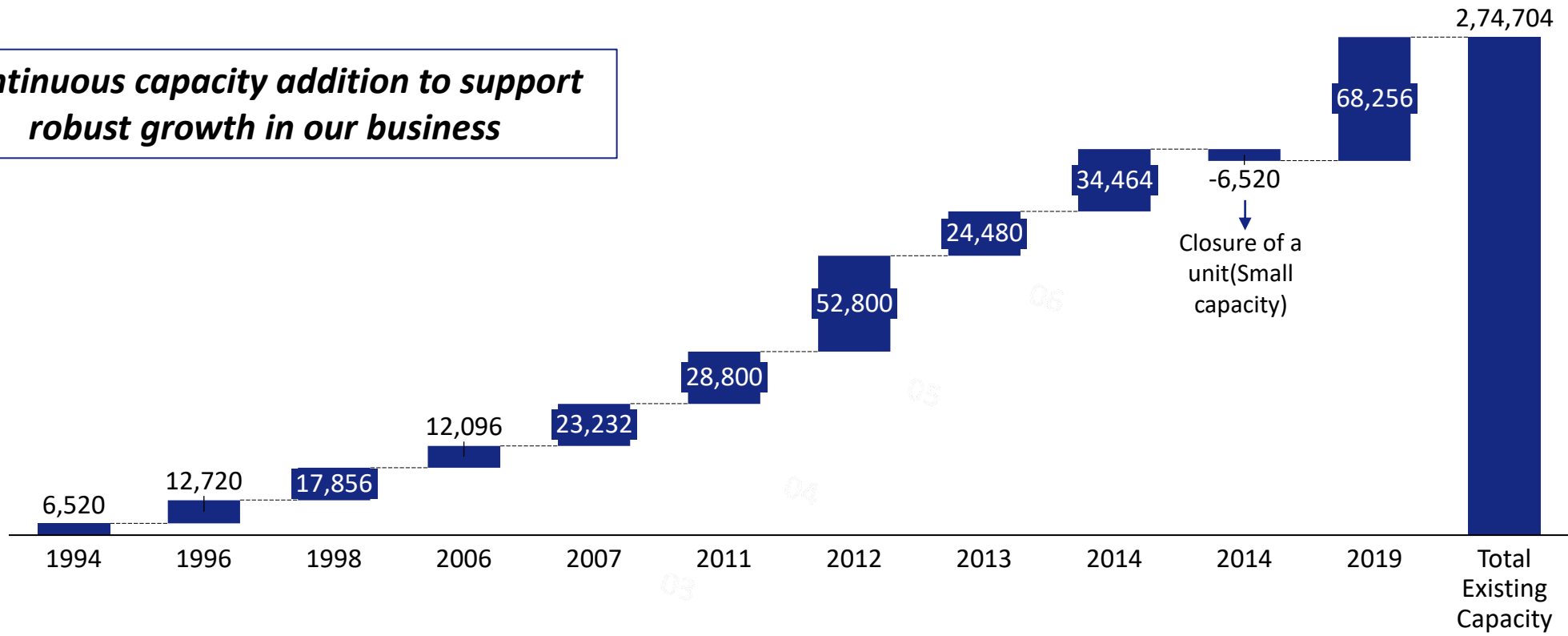
## 06 Brand Launching

Crystal - cotton yarn made with imported cotton

Sublime - High end quality yarn made with Indian selected cotton to achieve excellence in yarn parameters

# CAPACITY BUILTUP OVER THE YEARS

**Continuous capacity addition to support robust growth in our business**



## Status of ongoing expansion project

- 1<sup>st</sup> Phase capacity addition – 40,800 spindles
- Unit- Bathinda unit
- Commercial Operations to begin from June/July 2022

## New expansion project

- 2<sup>nd</sup> phase capacity addition- 10MW Rooftop Solar Power(inhouse consumption) with 63,072 spindles
- Unit- Bathinda unit
- Commercial operations likely to begin- Solar Power- May/June 2022
- Spindles- Q4 FY 2022-23

A photograph of several spools of thread. In the foreground, there are two large spools of blue thread, one partially visible on the left and one larger one on the right. In the background, there are several smaller spools of white thread, slightly out of focus. The text 'Financial Performance' is overlaid in the center of the image.

**Financial  
Performance**

YoY Highlights  
Q4FY22

Revenue **+44%**  
**Rs. 593 crores**



Operating EBITDA **+52%**  
**Rs. 154 crores**



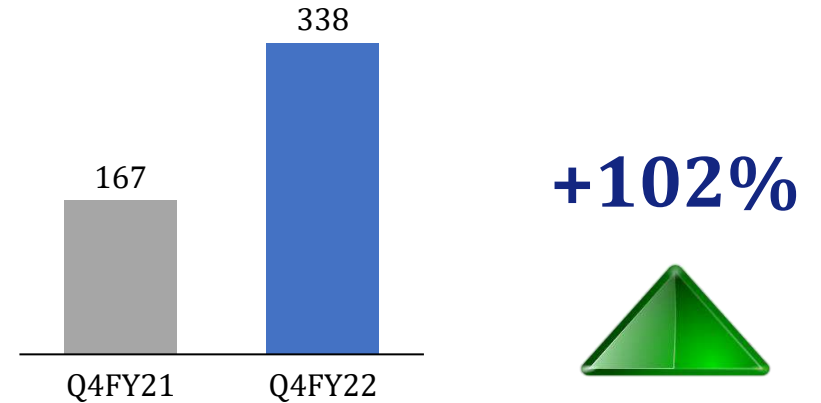
*Margin at 26%*

Operating PBT **+126%**  
**Rs. 134 crores**

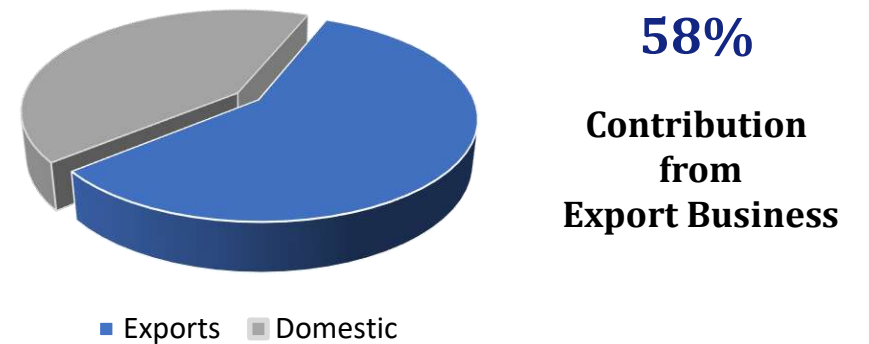


*Margin at 23%*

## Growth in Export Businesses



## Q4FY22 Revenue Contribution

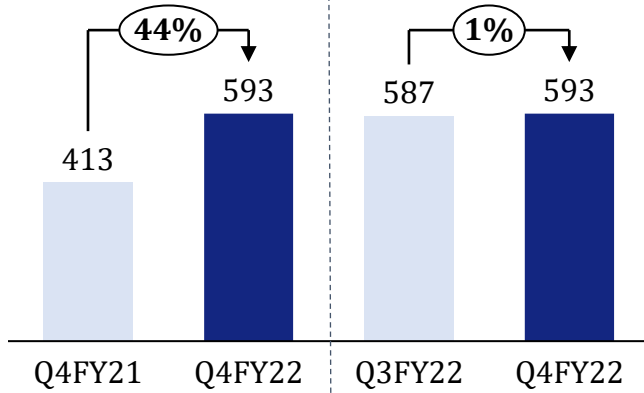


# Operating EBITDA = PAT + Tax expenses + Finance Cost + Depreciation & Amortization- Other Income

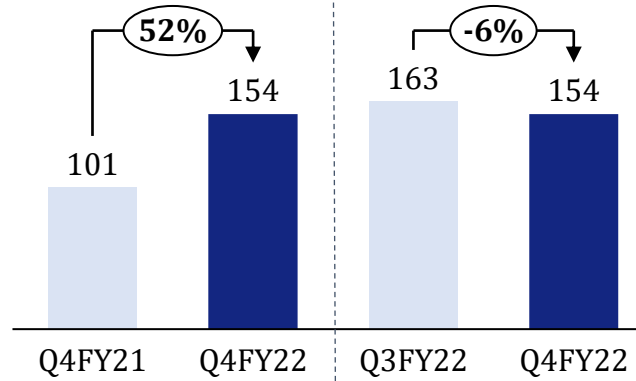
# Operating PBT = PAT + Tax expenses – Other Income

# Q4FY22 PERFORMANCE (YOY/QOQ)

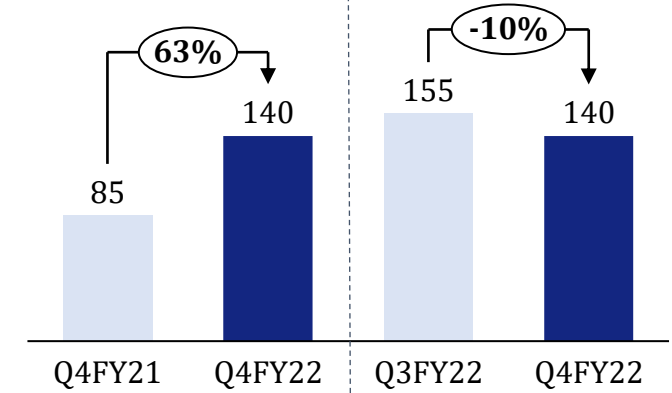
### Revenue from Operations (Rs. in Crs)



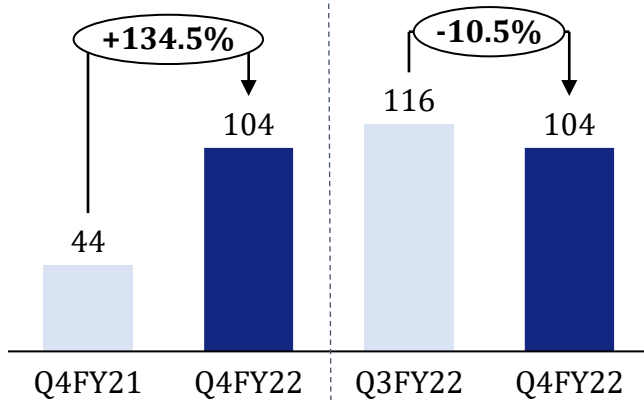
### EBIDTA (Rs. in Crs)



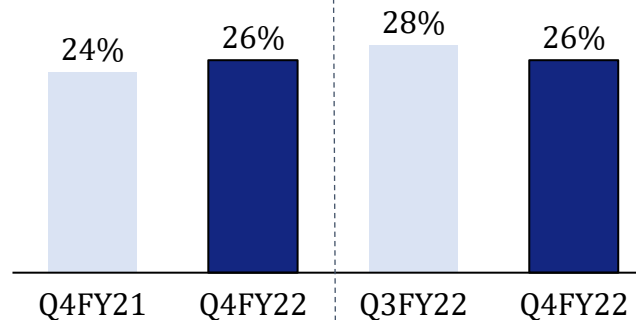
### PBT (Rs. in Crs)



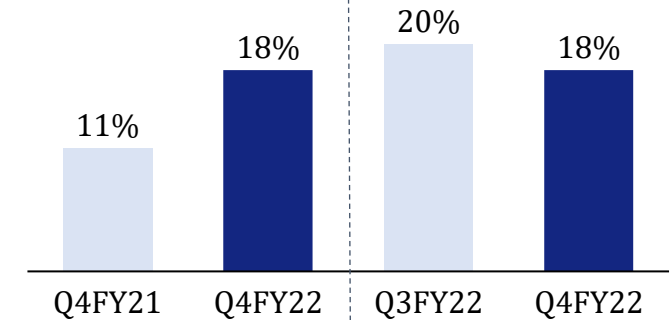
### PAT (Rs. in Crs)



### EBITDA %



### PAT %



# Q4 & FY22 PROFIT & LOSS

Profit & Loss statement (Rs. in Crs)	Q4FY22	Q4FY21	Y-o-Y	Q3FY22	Q-o-Q	FY22	FY21	Y-o-Y
<b>Revenue from Operation</b>	<b>593</b>	<b>413</b>	<b>44%</b>	<b>587</b>	<b>1%</b>	<b>2154</b>	<b>1306</b>	<b>65%</b>
Raw Material Cost	337	226		312		1181	785	
Purchase of Finished goods	0	0.1		0		0.2	0.4	
(Increase) / Decrease In Stocks	-4	1		13		-14	10	
Power Cost	29	28		30		120	112	
<b>Gross Margin</b>	<b>231</b>	<b>158</b>	<b>47%</b>	<b>232</b>	<b>0%</b>	<b>867</b>	<b>399</b>	<b>118%</b>
<b>Gross Margin %</b>	<b>39%</b>	<b>38%</b>		<b>40%</b>		<b>40%</b>	<b>31%</b>	
Employee Cost	27	25		28		105	87	
Other Expenses	50	32		41		166	103	
<b>EBITDA</b>	<b>154</b>	<b>101</b>	<b>52%</b>	<b>163</b>	<b>-6%</b>	<b>596</b>	<b>209</b>	<b>185%</b>
<b>EBITDA %</b>	<b>26%</b>	<b>25%</b>		<b>28%</b>		<b>28%</b>	<b>16%</b>	
Other Income	10	13		10		44	52	
Depreciation	10	7		4		29	36	
Finance cost	6	4		6		24	19	
<b>PBT</b>	<b>140</b>	<b>85</b>	<b>64%</b>	<b>155</b>	<b>-10%</b>	<b>547</b>	<b>140</b>	<b>291%</b>
<b>PBT Margin %</b>	<b>24%</b>	<b>21%</b>		<b>26%</b>		<b>25%</b>	<b>11%</b>	
Exceptional Items	0	22		0		0	22	
Tax	36	19		39		138	33	
<b>PAT</b>	<b>104</b>	<b>44</b>	<b>135%</b>	<b>116</b>	<b>-11%</b>	<b>409</b>	<b>85</b>	<b>384%</b>
<b>PAT Margin %</b>	<b>18%</b>	<b>11%</b>		<b>20%</b>		<b>19%</b>	<b>7%</b>	
<b>Earnings per share (EPS) (Rs.)</b>	<b>78</b>	<b>33</b>		<b>87</b>		<b>308</b>	<b>63</b>	

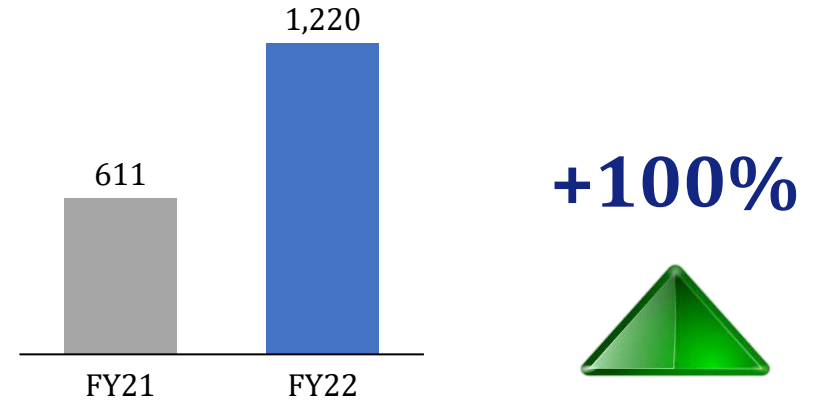
**Highlights  
FY22**

Revenue **+65%**  
**Rs. 2,154 crores**

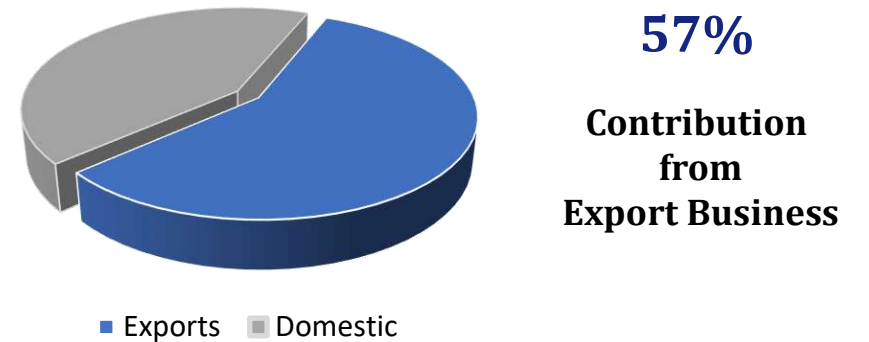
Operating EBITDA \* **+185%**  
**Rs. 596 crores**   
*Margin at 28%*

Operating PBT # **+426%**  
**Rs. 523 crores**   
*Margin at 24%*

## Growth in Export Businesses



## FY22 Revenue Contribution



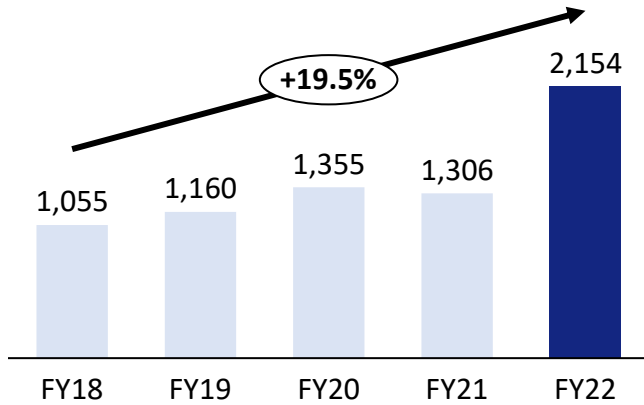
# Operating EBITDA = PAT + Tax expenses + Finance Cost + Depreciation & Amortization

# Operating PBT = PAT + Tax expenses - Other Income

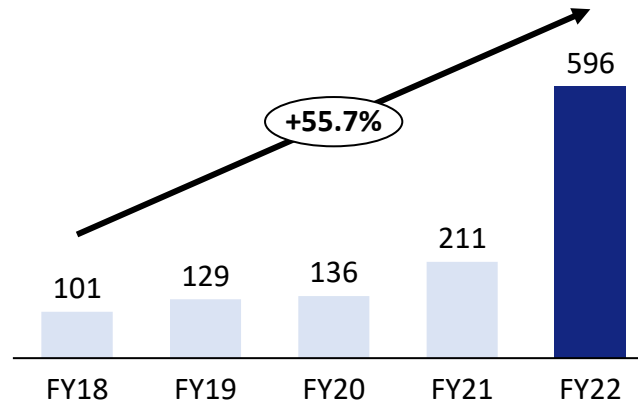


# ANNUAL FINANCIAL CHARTS

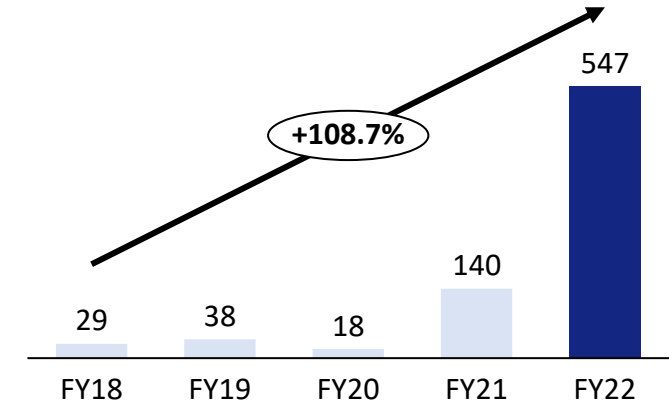
Revenue from Operations (Rs. in Crs)



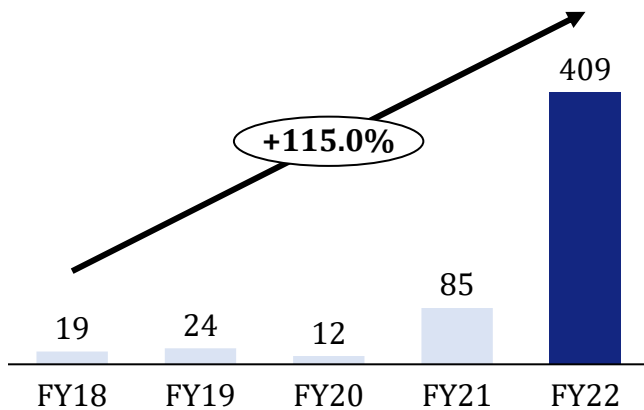
EBITDA (Rs. in Crs)



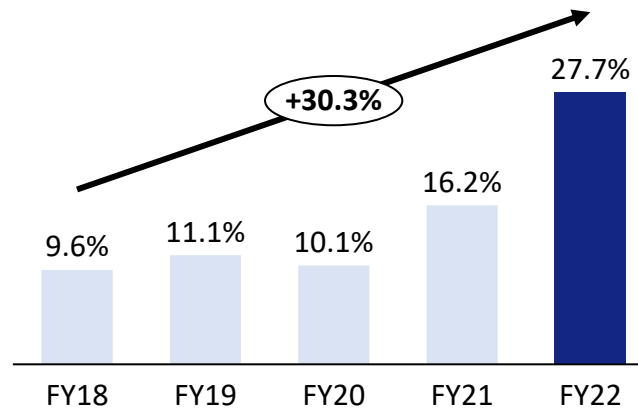
PBT (Rs. in Crs)



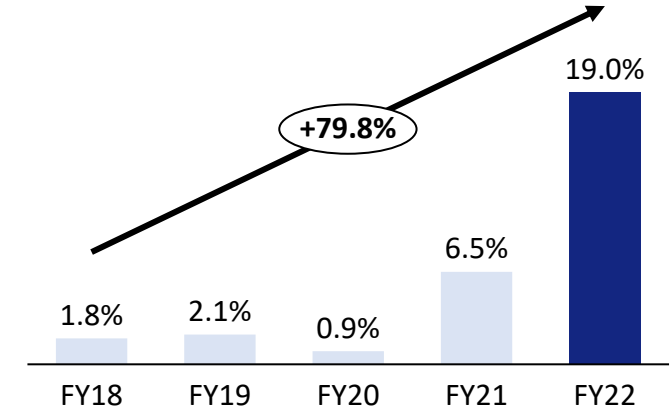
PAT (Rs. in Crs)



EBITDA %

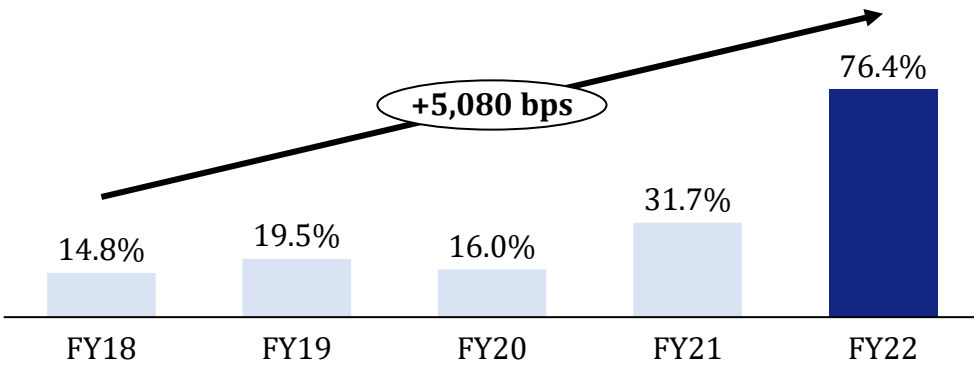


PAT %

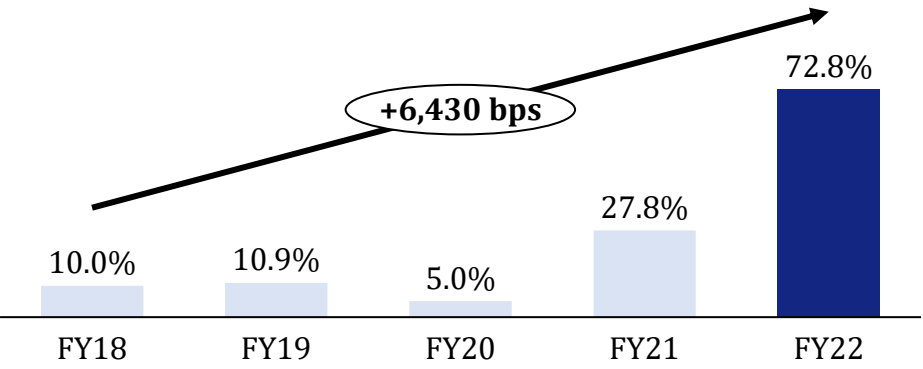


# KEY FINANCIAL RATIOS

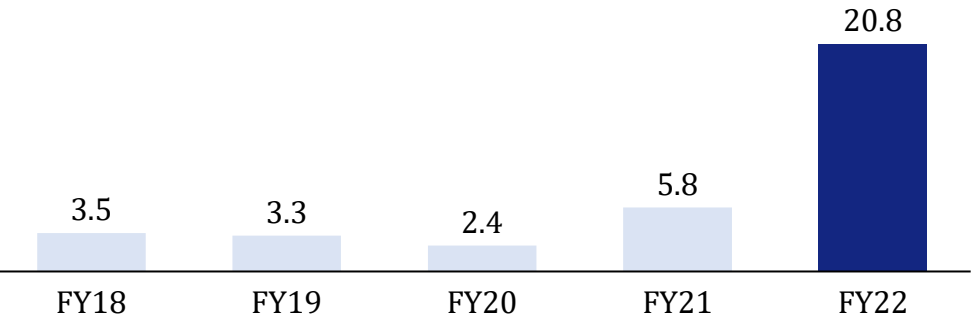
## ROCE #



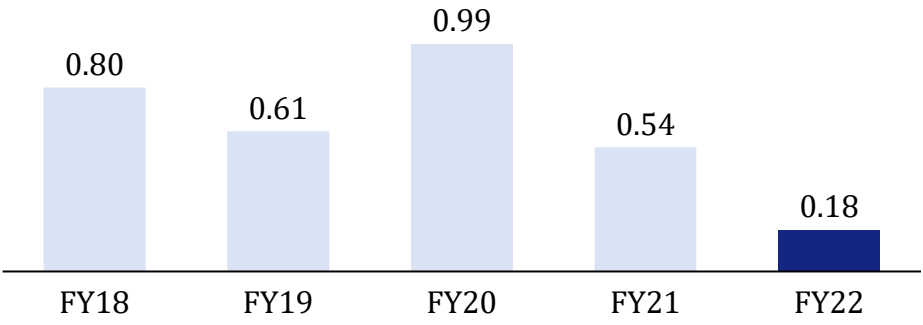
## ROE \*



## Interest Coverage ratio



## Long term Debt/Equity Ratio



# ROCE = EBIT / Average Capital Employed

\* ROE = PAT / Average Net Worth

# PROFIT & LOSS STATEMENT

Profit & Loss statement (Rs. in Crs)	Mar'22	Mar'21	Mar'20	Mar'19	Mar'18
<b>Revenue from Operation</b>	<b>2154</b>	<b>1306</b>	<b>1355</b>	<b>1161</b>	<b>1055</b>
Raw Material Cost	1181	785	901	756	682
Purchase of Finished goods	0	0	1	1	1
(Increase) / Decrease In Stocks	-14	10	7	-2	13
Power Cost	120	112	113	96	95
<b>Gross Margin</b>	<b>867</b>	<b>399</b>	<b>334</b>	<b>309</b>	<b>175</b>
<b>Gross Margin %</b>	<b>40%</b>	<b>31%</b>	<b>25%</b>	<b>27%</b>	<b>25%</b>
Employee Cost	105	87	97	83	74
Other Expenses	166	103	100	97	89
<b>EBITDA</b>	<b>596</b>	<b>209</b>	<b>136</b>	<b>129</b>	<b>101</b>
<b>EBITDA %</b>	<b>28%</b>	<b>16%</b>	<b>10%</b>	<b>11%</b>	<b>10%</b>
Depreciation and Amortisation Expense	44	52	63	54	56
Finance Costs	29	36	58	39	29
Other Income	24	19	3	2	13
<b>PBT</b>	<b>547</b>	<b>140</b>	<b>18</b>	<b>38</b>	<b>29</b>
<b>PBT Margin %</b>	<b>25%</b>	<b>11%</b>	<b>1%</b>	<b>3%</b>	<b>3%</b>
Exceptional Items	-	22	-	-	-
Tax	138	33	6	14	10
<b>PAT</b>	<b>409</b>	<b>85</b>	<b>12</b>	<b>24</b>	<b>19</b>
<b>PAT Margin %</b>	<b>19%</b>	<b>7%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>
<b>Earnings per share (EPS) (Rs.)</b>	<b>308</b>	<b>63</b>	<b>9</b>	<b>17</b>	<b>4</b>

# BALANCE SHEET STATEMENT

Equity & Liabilities (₹ in Cr)	Mar'22	Mar'21
Equity Share Capital	13	4
Other Equity	754	353
<b>Total Equity</b>	<b>767</b>	<b>357</b>
Financial liabilities		
1. Borrowing	141	192
2. Lease Liabilities	1	0.1
Provisions	11	11
Deferred tax Liabilities (Net)	13	12
Other Non-Current Liabilities	-	3
<b>Total Non-Current Liabilities</b>	<b>166</b>	<b>218</b>
Financial Liabilities		
(ii) Borrowings	396	311
(ii) Lease Liabilities	0.2	0.1
(iii) Trade Payables	124	87
(iv) Other Financial Liabilities	64	29
Other Current Liabilities	9	5
Current Tax Liabilities	27	24
Provisions	1	1
<b>Total Current Liabilities</b>	<b>621</b>	<b>457</b>
<b>Total Equity &amp; Liabilities</b>	<b>1554</b>	<b>1032</b>

Assets (₹ in Cr)	Mar'22	Mar'21
Property, plant and equipment	381	417
Capital Work-in-Progress	73	-
Right of Use Asset	1	0
Other Intangible Assets	0.1	0.1
Income Tax Assets (Net)	2	2
Other Financial Assets	17	14
Other Non Current Assets	22	1
<b>Total Non-Current Assets</b>	<b>496</b>	<b>434</b>
Financial Assets		
(i) Inventories	522	281
(ii) Trade Receivable	411	211
(iii) Cash and Cash Equivalentents	1	1
(iv) Bank balances other than above	24	-
(v) Other Financial Assets	1	0.1
Other Current Assets	100	105
<b>Total Current Assets</b>	<b>1058</b>	<b>598</b>
<b>Total Assets</b>	<b>1554</b>	<b>1032</b>

# CASH FLOWS STATEMENT

Cash Flow Statement (Rs. Crs.)	Mar-22	Mar-21	Mar-20
<b>Cash Flow from Operating Activities</b>			
Profit before Tax	547.4	118.0	18.3
Adjustment for Non-Operating Items	68.5	101.3	124.8
<b>Operating Profit before Working Capital Changes</b>	<b>616.0</b>	<b>219.3</b>	<b>143.1</b>
Changes in Working Capital	-382.9	-101.0	10.0
<b>Cash Generated from Operations</b>	<b>233.0</b>	<b>118.3</b>	<b>153.1</b>
Less: Direct Taxes paid	-137.4	-15.6	-5.4
<b>Net Cash from Operating Activities</b>	<b>95.6</b>	<b>102.8</b>	<b>147.7</b>
Cash Flow from Investing Activities	-102.8	-2.5	-141.9
Cash Flow from Financing Activities	6.9	-101.0	-5.0
<b>Net increase/ (decrease) in Cash &amp; Cash equivalent</b>	<b>-0.3</b>	<b>-0.8</b>	<b>0.9</b>
Cash and cash equivalents at the beginning of the year	0.8	1.6	0.7
<b>Cash and cash equivalents at the end of the year</b>	<b>0.5</b>	<b>0.8</b>	<b>1.6</b>

# THANK YOU

**Sportking**



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