

Sportking INDIA LTD.

(Govt. Recognised Three Star Export House)

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Website : www.sportking.co.in CIN No. L17122PB1989PLC053162
GST No. : 03AAACS3037Q1ZA

SIL/2022-23/SE

07.02.2023

To BSE Limited Phiroze Jeeheebhoy Towers, Dalal Street, Mumbai-400001	To National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
Script Code: 539221	Symbol: SPORTKING

Sub: Submission of Draft Letter of Offer pertaining to the proposed Buyback of up to 5,80,000 fully paid-up Equity Shares of Sportking India Limited ("Company") of face value of Rs. 10/- (Rupees Ten only) each at a price of Rs. 950/- (Rupees Nine Hundred Fifty Only) per Equity Share on a proportionate basis through Tender Offer ("Buyback")

Dear Sir/Madam,

This is in furtherance to our letter dated January 31, 2023, informing the Stock Exchanges of the publication of the public announcement dated January 30, 2023 published on January 31, 2023 in connection with the captioned Buyback.

Please find enclosed herewith a copy of the Draft Letter of Offer dated February 7, 2023.

You are requested to please take the same on your records.

Thanking you,

Yours faithfully,

For SPORTKING INDIA LIMITED

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

Encl: As above

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as a registered Equity Shareholder / beneficial owner of Equity Shares of Sportking India Limited (“**Company**”) as on the Record Date, being Friday, February 10, 2023, in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended (“**Buyback Regulations**”). If you require any clarification about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Buyback *i.e.* Master Capital Services Limited or the Registrar to the Buyback *i.e.* Beetal Financial & Computer Services Private Limited. Please refer to the section on “**Definition of Key Terms**” for the definition of the capitalized terms used herein.



SPORTKING INDIA LIMITED

Corporate Identity Number (CIN): L17122PB1989PLC053162;

Registered Office: Village Kanech, Near Sahnewal, G.T. Road, Ludhiana – 141 120;

Tel. No.: +91 161 2845456 to 60; **Fax No.:** +91 161 2845458; **Email:** cs@sportking.co.in;

Website: www.sportking.co.in; **Contact Person:** Mr. Lovlesh Verma, Company Secretary and Compliance Officer

OFFER FOR BUYBACK OF UP TO 5,80,000 (FIVE LAKH EIGHTY THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH (“EQUITY SHARES” OR “SHARES”) REPRESENTING 4.37% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE EXISTING TOTAL PAID-UP EQUITY CAPITAL AND TOTAL NUMBER OF EQUITY SHARES IN THE PAID-UP EQUITY SHARE CAPITAL AS PER THE LATEST AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 OF THE COMPANY, FROM ALL THE ELIGIBLE SHAREHOLDERS /BENEFICIARY OWNERS OF EQUITY SHARES THE COMPANY AS ON THE RECORD DATE *I.E.* FRIDAY, FEBRUARY 10, 2023 ON A PROPORTIONATE BASIS THROUGH THE “TENDER OFFER” ROUTE (THROUGH STOCK EXCHANGE MECHANISM) AT A PRICE OF ₹ 950/- (RUPEES NINE HUNDRED FIFTY ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF UPTO ₹ 55,10,00,000/- (RUPEES FIFTY FIVE CRORE TEN LAKH ONLY) EXCLUDING TRANSACTION COSTS (“BUYBACK”).

1. The Buyback is in accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 as amended from time to time (“**Companies Act**”) and the Companies (Share Capital and Debentures) Rules, 2014, as amended (“**Share Capital Rules**”), the Companies (Management and Administration) Rules, 2014 (“**Management Rules**”), SEBI Buyback Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable and in accordance with Article 40 of the Articles of Association of the Company and subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by SEBI, Registrar of Companies, National Stock Exchange of India Limited (“**NSE**”), BSE Limited (“**BSE**”) and/or other authorities, institutions or bodies, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board.
2. The Buyback Size which is not exceeding ₹ 55,10,00,000/- (Rupees Fifty Five Crore Ten Lakh only) excluding the Transaction Costs which represents 8.01% of the total paid-up equity share capital and free reserves as per the latest audited financial statements of the Company for the financial year ended March 31, 2022 and is within the statutory limits of 10% of the total paid-up equity share capital and free reserves as per the audited financial statements for the financial year ended 31st March 2022 of the Company under the Board Approval route, as provided under the proviso to Section 68(2)(b) of the Companies Act, 2013 and Regulation 4(i) of SEBI Buyback Regulations.
3. The Letter of Offer will be sent to the Eligible Shareholders and Beneficial Owner(s) of the Company as on record date *i.e.* Friday, February 10, 2023 in accordance with the SEBI Buyback Regulations and such other circulars or notifications, as may be applicable.
4. For details of procedure for tender of Equity Shares and settlement, please refer to the section “*Procedure For Tendering Equity Shares And Settlement*” of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (“**Tender Form**”) shall be enclosed together with the Letter of Offer.
5. For details of the procedure for Acceptance, please refer to the section “*Process and Methodology for the Buyback*” of this Draft Letter of Offer.
6. For mode of payment of cash consideration to the Eligible Shareholders, please refer to the section “*Procedure For Tendering Equity Shares And Settlement*” of this Draft Letter of Offer.
7. A copy of the Public Announcement published on January 31, 2023, this Draft Letter of Offer and the Letter of Offer (including the Tender Form and SH-4) shall be available on the website of Securities and Exchange Board of India, *i.e.* www.sebi.gov.in, the Stock Exchanges at www.bseindia.com and www.nseindia.com. and on Company’s website at www.sportking.co.in and Registrar of the Buy-Back at www.beetalfinancial.com.
8. Eligible Shareholders are advised to refer to sections “*Details of the Statutory Approvals*” and “*Note on Taxation*” of this Draft Letter of Offer, before tendering their Equity Shares in the Buyback.

MANAGER TO THE BUYBACK



Master Capital Services Limited

SCO 22-23, Sector 9D, Madhya Marg, Chandigarh -160 009;

Contact Person: Mr. Jaspal Rawat;

Tel. No.: +91 172 484 8000;

Email: skl.buyback@mastertrust.co.in;

Website: www.mastertrust.co.in;

SEBI Registration No: INM000000107;

Validity: Permanent Registration;

CIN: U67190HR1994PLC076366.

REGISTRAR TO THE BUYBACK



Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi, - 110 062;

Contact Person: Mr. Punit Mittal;

Tel. No.: +91 11 2996 1281; **Fax:** +91 11 2996 1284;

Email: beetalrta@gmail.com;

Website: www.beetalfinancial.com;

SEBI Registration Number: INR000000262;

Validity: Permanent Registration; **CIN:** U67120DL1993PTC052486.

BUYBACK OPENS ON: [●]

BUYBACK CLOSES ON: [●]

LAST DATE / TIME OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUYBACK: BY 05:00 P. M. ON [●]

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1. SCHEDULE OF ACTIVITIES FOR THE BUYBACK OFFER

Activity	Day and Date
Date of the board meeting approving the proposal for Buyback of Equity Shares	Saturday, January 28, 2023
Date of declaration of the results of the postal ballot for passing resolution by the Equity Shareholders of the Company, approving the Buyback	NA
Date of Public Announcement for the Buyback	Monday, January 30, 2023
Date of publication of Public Announcement for the Buyback in newspapers	Tuesday, January 31, 2023
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	Friday, February 10, 2023
Buyback opens on/ Buyback Opening Date	[•]
Buyback closes on/ Buyback Closing Date	[•]
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates (if and as applicable) by the Registrar to the Buyback	[•]
Last date of verification of Tender Forms by Registrar to the Buyback	[•]
Last date of intimation to the Stock Exchanges regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar to the Buyback	[•]
Last date of completion of settlement of bids on the Stock Exchanges	[•]
Last date of dispatch of share certificate(s) by Registrar to the Buyback/ payment to the Eligible Shareholders / return of unaccepted Demat shares by Stock Exchanges to Seller Member/ Eligible Shareholders	[•]
Last date of extinguishment of Equity Shares bought back	[•]

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buyback Regulations, the Companies Act, 2013 and the Depositories Act, 1996 and the rules and regulations made thereunder.

Term	Description
Acceptance/Accept/Accepted	Acceptance of Equity Shares tendered by Eligible Shareholders in the Buyback.
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the designated stock exchanges <i>i.e.</i> BSE Limited in the form of a separate window in accordance with SEBI circulars.
Act/Companies Act	The Companies Act, 1956 as amended (to the extent applicable)/ Companies Act, 2013 as amended (To the extent notified).
Additional Shares/ Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder such that the total number of Equity Shares tendered do not exceed the Equity Shares held on the Record Date by such Eligible Shareholder.
Articles/AOA	Articles of Association of the Company, as amended from time to time.
Board /Board of Directors/ Director(s)	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' / 'Buyback Committee' thereof).
Board Meeting	Meeting of the Board of Director of the company held on January 28, 2023 approving the proposal for the Buyback
BSE	BSE Limited.
Buyback/ Buyback Offer/ Offer/ Buyback Offer Size	Offer to Buyback up to 5,80,000 (Five Lakh Eighty Thousand) fully paid-up Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each at a price of ₹ 950/- (Rupees Nine Hundred Fifty only) per Equity Share (including premium of ₹ 940/- per Equity Share) payable in cash for an aggregate amount of up to ₹ 55,10,00,000/- (Rupees Fifty Five Crore Ten Lakh Only), excluding Transaction Cost for the buy back from Eligible Shareholders on a proportionate basis by way of tender offer through the stock exchange mechanism in terms of the SEBI Buyback Regulations and the SEBI Circulars.
Buyback closes on / Buyback Closing Date	[●]
Buyback Committee/ Committee	The Buyback Committee of the Board, constituted and authorized to exercise certain power in relation to the Buyback by way of a resolution of the Board dated January 28, 2023. The Buyback Committee comprises of Mr. Munish Avasthi, Chairman & Managing Director, Mr. Naresh Kumar Jain, Executive Director, Mr. Jarnail Singh, GM - Accounts and Finance and that Mr. Lovlesh Verma, Company Secretary shall act as the Secretary to the Buyback Committee.
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, based on the number of Equity Shares held by that Eligible Shareholder on the Record Date in the Ratio/percentage of Buyback as applicable in the category, to which such Eligible Shareholder belongs.
Buyback opens on / Buyback Opening Date	[●]
Buyback Period	The period between the date of resolution passed by the Board of Directors and the date on which the payment of consideration to the Eligible Shareholders who have accepted the Buyback Offer will be made.
Buyback Price/ Offer price	Price at which Equity Shares will be bought back from the Eligible Shareholders <i>i.e.</i> ₹ 950/- (Rupees Nine Hundred Fifty only) per Equity Share (including premium of ₹ 940/- per Equity Share), payable in cash.

Term	Description
CDSL	Central Depository Services (India) Limited.
Clearing Corporation	Indian Clearing Corporation Limited.
Company	Sportking India Limited.
Company Demat Escrow Account	A demat account of the Company wherein Demat Shares bought back in the Buyback would be transferred.
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable).
Companies Act, 2013	The Companies Act, 2013, as amended (to the extent notified).
Company's Broker	Master Capital Services Limited.
Compliance Officer	Mr. Lovlesh Verma (for the purpose of Buyback)
Depositories	Collectively, NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended and rules framed thereunder.
Designated Stock Exchange	BSE Limited.
DIN	Director Identification Number.
DP	Depository Participant.
Draft Letter of Offer / DLOF	This Draft Letter of Offer dated February 7, 2023 filed with SEBI.
DTAA	Double Taxation Avoidance Agreement.
Eligible Shareholder(s)/ Shareholders	All Equity Shareholders holding Equity Shares as on the Record Date being Friday, February 10, 2023 and who are eligible to participate in the Buyback in terms of this DLOF.
Equity Shares/ Shares	Fully paid-up equity shares of face value of ₹ 10/- (Rupees Ten Only) each of the Company.
Equity Shareholders/ Shareholders/Beneficial owner(s)	Holders of the Equity Shares and includes beneficial owners thereof.
Escrow Account	The Escrow Account titled "[●]" to be opened with Escrow Agent in terms of the Escrow Agreement (as defined below).
Escrow Agent	[●]
Escrow Agreement	The escrow agreement dated [●] entered into between the Company, Escrow Agent and Manager to the Buyback.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, as amended.
Financial Year, Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
FII(s)	Foreign Institutional Investor(s).
FPI(s)	Foreign Portfolio Investor(s).
General Category	Category of Eligible Shareholder(s) other than the Small Shareholders.
HUF	Hindu Undivided Family.
IT Act/ Income Tax Act	Income Tax Act, 1961, as amended from time to time.
KYC	Know Your Customer.
Letter of Offer/ LoF	The Letter of Offer dated [●] to be filed with SEBI through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in the SEBI Buyback Regulations, including comments received from SEBI on the DLOF.
LTCG	Long-term Capital Gains.
Manager to the Buyback/ Manager	Master Capital Services Limited.
MOA	Memorandum of Association of the Company as amended from time to time.
Non-Resident Shareholders	Equity Shareholders other than resident Equity Shareholders but including Non-Resident persons and bodies, Foreign Institutional Investor (FII), Foreign Portfolio Investors (FPI), erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals.
Non-Resident Indians/ NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the meaning as prescribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
NSDL	National Securities Depository Limited.

Term	Description
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Bodies.
Offer Period/ Tendering Period	Period of 10 Working Days from the Buyback Opening Date <i>i.e.</i> [●] till Buyback Closing Date <i>i.e.</i> [●] (both days inclusive).
PAN	Permanent Account Number.
Promoter and Promoter Group	The promoter and promoter group of the Company as defined under (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, being Promoter and promoter group including person in control are collectively referred to as Promoter and Promoter Group namely Munish Avasthi, Raj Kumar Avasthi, Anjali Avasthi, Anjali Dada, Suraj Dada, Parveen Avasthi, Angel Finvest Private Limited, Aradhna Knitwears Private Limited, Sobhagia Logistics Private Limited and Sobhagia Sales Private Limited.
Public Announcement/ PA	Public announcement dated January 30, 2023 in relation to the Buyback made by the Company which was published on January 31, 2023 in Business Standard (English national daily - All Edition), Business Standard (Hindi national daily - All Edition and Daily Suraj (Regional language daily - Punjabi Edition, Punjabi being the regional language of Punjab wherein the registered office of the Company is located).
Ratio of Buyback	The ratio of the Buyback for the Equity Shares held by Eligible Shareholders as on Record Date: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares; and (ii) in case of Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held.
RBI	Reserve Bank of India.
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Shareholders to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback in accordance with the SEBI Buyback Regulations. The Record Date for the Buyback shall be Friday, February 10, 2023.
Registrar to the Buyback/ Registrar	Beetal Financial & Computer Services Private Limited.
Reserved Category	Category of the Small Shareholders eligible to tender Equity Shares in the Buyback.
SEBI	Securities and Exchange Board of India.
SEBI Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended from time to time.
SEBI Circular	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in circular bearing no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, as may be amended from time to time.
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulation	Securities and Exchange Board of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011, as amended.
Seller Member	A stock broker of an Eligible Shareholder, through whom the order for selling the Equity Shares will be placed in the Acquisition Window.
Small Shareholder	An Eligible Shareholder who holds Equity Shares of market value not more than ₹ 2,00,000/- (Rupees Two Lakh Only) on the basis of closing price on the Stock Exchange registering the highest trading volume on the Record Date.
STCG	Short-term Capital Gains.
Stock Exchanges	Together, BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
Stock Exchange Mechanism	The “Mechanism for Acquisition of Shares through Stock Exchange”, notified by the SEBI Circulars.
Tender Form/ Form	Form of Acceptance–cum–Acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholders to participate in the Buyback.
Tender Offer	Method of Buyback as defined in Regulation 2(i)(q) read of the Buyback Regulations using stock exchange mechanism.

Term	Description
Tendering Period	Period of 10 Working Days from the Buyback Opening Date ([●]) till the Buyback Closing Date ([●]) (both days inclusive).
Transaction Cost	Company's transaction cost viz. fees, brokerage, applicable taxes such as securities transaction tax, buy back tax, goods and service tax, stamp duty, advisors fees, printing and dispatch expenses and other incidental and related expenses.
TRS	Transaction Registration Slip.
U.S.	United States / United States of America.
Working Day(s)	Any working day as defined in the SEBI Buy-Back Regulation.

Certain conventions, currency of presentation, use of financial information and stock market data

Currency and Units of Presentation

All references to "Rupee(s)", "₹", "Rs." Or "INR" are to Indian Rupees, the official currency of the Republic of India.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Draft Letter of Offer is derived from the un-audited financial statement for the nine months ended December 31, 2022 which have been subjected to a limited review by the Statutory Auditor and our audited financial statements for the financial year 2020, 2021 and 2022.

Our Company's financial year commences on April 1st of each year and ends on March 31st of the next year (referred to herein as "**Financial Year**" or "**FY**").

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

All data related to financials are given in INR lakhs, unless otherwise stated.

Stock Market Data

Unless stated or the context requires otherwise, stock market data included in this Draft Letter of Offer is derived from the websites of the Stock Exchanges.

Forward Looking Statement:

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'believe', 'aim', 'anticipate', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will pursue', or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter-alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

3. DISCLAIMER CLAUSE

3.1. As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback, *i.e.* Master Capital Services Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and SEBI Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

3.2. It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards the purpose. The Manager to the Buyback, Master Capital Services Limited has furnished to SEBI a Due Diligence Certificate dated February 7, 2023 in accordance with SEBI Buyback Regulations, which reads as follows:

“We have examined various documents and materials relevant to the Buyback, as part of the due diligence carried out by us in connection with the finalization of the Public Announcement for the Buyback (“Public Announcement”) which was published on January 31, 2023 and the DLoF dated February 7, 2023 (“Draft Letter of Offer / DLoF”). On the basis of such examination and the discussions with the Company, we hereby state that:

- *the Public Announcement and the DLOF are in conformity with the documents, materials and papers relevant to the Buyback;*
- *all the legal requirements connected with the said Buyback including the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended, have been duly complied with;*
- *the disclosures in the Public Announcement and the DLOF are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback;*
- *funds used for Buyback shall be as per the provisions of the Companies Act, 2013 as amended.”*

3.3. The filing of this DLOF with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

3.4. The Promoter and Promoter Group and Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the Promoter and Promoter Group and Directors and the Company shall be liable for penalty in terms of the provisions of the Act, SEBI Buyback Regulations and other applicable laws and regulations.

3.5. The Promoter and Promoter Group and Directors also declare and confirm that, funds borrowed from banks and financial institutions will not be used for the Buyback.

3.6. Disclaimer for persons from the United States of America

The information contained in this DLOF is exclusively intended for persons who are not US Persons as defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This DLOF does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLOF are requested to inform themselves about, and to observe any such restrictions.

3.7. Disclaimer for persons in foreign countries other than the United States of America

This DLOF has not been filed, registered or approved in any jurisdiction outside India. This DLOF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Buyback to a new or additional requirements or registration. Potential users of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

3.8. Important Notice to All Shareholders

This DLOF has been prepared for the purposes of compliance with the SEBI Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this DLOF. The Letter of Offer shall be dispatched to all Shareholders whose names appear on the register of members of the Company, as of the Record Date, as per the SEBI Buyback Regulations and such other circulars or notifications, as may be applicable. However, receipt of the Letter of Offer by any Equity Shareholders in a jurisdiction in which it would be illegal to make this Tender Offer, or where making this Tender Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an offer being made to them. Potential users of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on January 28, 2023. The extracts of the Board resolutions are as follows:

“RESOLVED THAT pursuant to the Article 40 of the Articles of Association of the Company and the provisions of Sections 68, 69, and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**“Companies Act”**), the Companies (Share Capital and Debenture) Rules, 2014, made thereunder, and in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (**“SEBI Buyback Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**) and other applicable laws, if any, including any amendments, statutory modifications or re-enactments for the time being in force and subject to all such approvals, permissions and sanctions of Securities and Exchange Board of India (**“SEBI”**), Reserve Bank of India (**“RBI”**), Ministry of Corporate Affairs/ Registrar of Companies, (**“ROC”**) and/ or other authorities, institutions or bodies (**“Appropriate Authorities”**) as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed while granting such approvals, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which expression shall be deemed to include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby consents and approves the buyback of 5,80,000 fully paid-up equity shares of face value of ₹10/- each of the Company (**“Equity Shares”**) (representing 4.37% of the total number of Equity Shares in the existing total paid-up equity capital and total number of Equity Shares in the paid-up equity share capital as per the latest audited financial statements of the Company for the financial year ended March 31, 2022 of the Company) at a price of ₹ 950/- (Rupees Nine Hundred Fifty only) per equity share (**“Buyback Price”**) which represents premium of 42.27% and 42.57% over the closing price of the Equity Shares on National Stock Exchange of India Limited (**“NSE”**) and BSE Limited (**“BSE”**), respectively, on January 20, 2023 being the day preceding the date when intimation for the Board meeting was sent to NSE and BSE, payable in cash for an aggregate amount of up to ₹ 55,10,00,000/- (excluding Company’s transaction cost viz. fees, brokerage, applicable taxes such as securities transaction tax, buy back tax, goods and service tax, stamp duty, advisors fees, printing and dispatch expenses and other incidental and related expenses, herein after referred to as **“Transaction Cost”**) (**“Buyback Size”**), which is 8.01% of the fully paid-up equity share capital and free reserves as per the latest available audited financials of the Company for the financial year ended March 31, 2022 which is not exceeding 10% of the aggregate of the fully paid-up equity share capital

and free reserves as per the audited financial statements for the financial year ended 31st March 2022 of the Company under the Board Approval route, as provided under the proviso to Section 68(2)(b) of the Companies Act, 2013, through the “Tender Offer” method as prescribed under the SEBI Buyback Regulations on a proportionate basis, from all the existing shareholders/beneficiary owners of the Company, including the promoter and promoter group, holding fully paid-up equity shares of the Company as on the record date (“Buyback”).

RESOLVED FURTHER THAT the Board of Directors hereby fixes Friday, February 10, 2023, shall be the record date for the purposes of the Buyback (“Record Date”).

RESOLVED FURTHER THAT the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (“SEBI”), Transaction Cost, fees and charges payable to NSE and BSE (collectively referred to as “Stock Exchanges”), public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

RESOLVED FURTHER THAT such Buyback may be made out of the Company’s free reserves and / or the securities premium account/ or such other sources as may be permitted by the SEBI Buyback Regulations and the Companies Act through “Tender Offer” route and as required, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “*Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting*” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 or such other circulars or notifications, as may be applicable and the Company shall approach BSE for facilitating the same.

RESOLVED FURTHER THAT the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI Listing Regulations”).

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders of the Company as disclosed under the shareholding pattern filings made by the Company from time to time under SEBI Listing Regulations and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“SEBI SAST Regulations”), as amended as the Board may consider appropriate on the record date. The funds for the implementation for the proposed Buyback will be sourced out of the free reserves and/or such other sources as may be permitted by the SEBI Buyback Regulations or the Act, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.

RESOLVED FURTHER THAT the Board hereby takes on record the auditor report dated January 28, 2023 issued by M/s. SCV & Co, LLP, Chartered Accountants, the Statutory Auditor of the Company, as required under clause (xi) Schedule I of the (Buyback) Regulations and placed before the Board for its noting;

RESOLVED FURTHER THAT in terms of Regulation 24(iii) of the SEBI Buyback Regulations, Mr. Lovlesh Verma, Company Secretary, be and is hereby appointed as the Compliance Officer for the proposed Buyback and Beetal Financial & Computer Services Pvt Ltd, Registrar of the Company, be and is hereby appointed as the Registrar to the Buyback offer and the Investor Service Centre.

RESOLVED FURTHER THAT Master Capital Services Limited has been appointed as Manager to the Buyback and broker for the Buyback for the services related to the Buyback at such fees and other terms & conditions as mutually agreed with them.

RESOLVED FURTHER THAT draft of the Declaration of Solvency along with annexures including statement of assets and liabilities prepared in the prescribed form and supporting affidavit and other documents in terms of Section 68(6) of the Act and Regulation 8(i)(b) of the SEBI Buyback Regulations, as placed before the meeting be and are hereby considered and approved and Mr. Munish Avasthi (DIN: 00442425) - Chairman & Managing Director, Mr. Naresh Kumar Jain (DIN:00254045), Executive Director, be and are hereby authorized to sign the same, for and on behalf of the Board and Mr. Lovlesh Verma (ACS-34171) - Company Secretary of the Company be and are hereby authorized to file the same with the Registrar of Companies, Punjab (“**ROC**”), Stock Exchange and Securities and Exchange Board of India or any such other concerned authorities, as may be necessary in accordance with applicable laws.

RESOLVED FURTHER THAT the Buyback from shareholders/ beneficial owners, who are persons resident outside India, including the foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indians, etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999, as amended and the rules, regulations framed thereunder, Income Tax Act, 1961 and rules framed there under, as amended if any.

RESOLVED FURTHER THAT as required by clause (x) of Schedule I in accordance with Regulation 5(iv)(b) of SEBI Buyback Regulations, the Board of Directors hereby confirm that they have made full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:

- a) immediately following the date of this Board meeting *i.e.* January 28, 2023 there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards the Company’s prospects for the year immediately following the date of this Board meeting *i.e.* January 28, 2023 and having regard to the Board’s intention with respect to the management of the Company’s business during that year and to the amount and character of the financial resources which will in the Board’s view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- c) in forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act and the Insolvency and Bankruptcy Code, 2016, including prospective and contingent liabilities.”

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) all Equity Shares are fully paid-up;
- b) the Buyback Size *i.e.* ₹ 55,10,00,000/- (Rupees Fifty-Five Crore Ten Lakh only) does not exceed 10% of the aggregate paid-up equity share capital and free reserves as per the latest audited financial statements of the Company for the financial year ended March 31, 2022;
- c) the maximum number of Equity Shares proposed to be purchased under the Buyback *i.e.* 5,80,000 Equity Shares, does not exceed 25% of the total number of Equity Shares in the paid-up equity share capital of the Company as per the latest audited financial statements of the Company for the financial year ended March 31, 2022;
- d) Unless otherwise specifically permitted by any relaxation issued by SEBI and/ or any other regulatory authority, the Company shall not raise further capital for such period of time, as prescribed under the provisions of Regulation 24(i)(f) of the SEBI Buyback Regulations from the expiry of the date on which the payment of consideration is made to the shareholders who have accepted the Buyback (“**Buyback Period**”), except in discharge of its subsisting obligations and in compliance with the SEBI Buyback Regulations;
- e) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- f) the Company shall not issue and allot any Equity Shares or specified securities including by way of bonus or conversion of employee stock options /outstanding instruments into Equity Shares, from the date of board resolution for the Buyback till the expiry of the Buyback Period;
- g) the Company, as per the provisions of Section 68(8) of the Companies Act, will not issue same kind of shares or other securities including allotment of new shares under Section 62(1)(a) of the Act or other specified

securities within a period of 6 months after the completion of the Buyback except by way of bonus issue or equity shares issued in order to discharge of subsisting obligations such as conversion of warrants, stock option schemes (including stock appreciation rights schemes), sweat equity or conversion of preference shares or debentures into equity shares;

- h) the Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and/ or Financial Institutions for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buyback;
- i) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- j) the Company shall not buyback its equity shares or other specified securities from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- k) it shall not directly or indirectly purchase its own shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- l) there are no defaults subsisting in the repayment of any deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years;
- m) the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- n) The consideration of the Equity Shares bought back by the Company will be paid only by way of cash;
- o) the Company will not withdraw the Buyback after the draft letter of offer is filed with the SEBI or the public announcement of the Buyback is made;
- p) the Company shall not buyback out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities;
- q) the Company shall not make any further offer of buyback within a period of one year reckoned from the expiry of the Buyback Period;
- r) the Company is not undertaking the Buyback to delist its equity shares other specified securities from the stock exchanges;
- s) as per Regulation 24(i)(e) of the SEBI Buyback Regulations, the Promoters and members of Promoter Group, and their associates, other than the Company, shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters and members of Promoter Group) from the date of this resolution till the closure of the Buyback Period;
- t) there are no pending schemes of amalgamation or compromise or arrangement pursuant to the Companies Act (“**Scheme**”) involving the Company, and no public announcement of the Buyback shall be made during pendency of any such Scheme; and
- u) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act and rules made thereunder.

RESOLVED FURTHER THAT that a committee (“**Buyback Committee**”) be constituted comprising of Mr. Munish Avasthi (DIN:00442425) - Chairman & Managing Director, Mr. Naresh Kumar Jain (DIN:00254045), Executive Director, Mr. Jarnail Singh (GM- Accounts and Finance) and that Mr. Lovlesh Verma (ACS-34171) - Company Secretary shall act as the Secretary to the Buyback Committee. Further, the Buyback Committee is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its equity shareholders, including but not limited to:

- a) finalizing the terms of Buyback like the mechanism for the Buyback, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
- b) to enter into escrow arrangements as may be required in terms of the SEBI Buyback Regulations;
- c) earmarking and making arrangements for adequate sources of funds for the purposes of the Buyback;
- d) making all applications to the Appropriate Authority for their requisite approvals as may be required;
- e) give information, explanation, declaration and confirmations in relation to the Buyback, as may be required by the Appropriate Authorities;
- f) opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- g) preparing, approving, executing and filing of various documents as may be necessary or desirable in connection with or incidental to the Buyback including declaration of solvency, public announcement, draft

- and final letter of offer, extinguishment of Equity Shares and certificate of extinguishment and post-completion advertisement which are required to be filed with the SEBI, Registrar of Companies, Stock Exchange and other appropriate authority, in connection with the Buyback on behalf of the Board;
- h) affix the Common Seal of the Company on relevant documents required to be executed for the Buyback of shares in accordance with the provisions of the Articles of Association of the Company;
 - i) to make any corrections, amendments, deletions, additions to the public announcement, draft letter of offer /letter of offer and any other advertisement and to give any information, explanation, declarations and confirmations in relation to the public announcement, draft letter of offer /letter of offer and any other advertisement, as may be required by the relevant authorities including SEBI and to file/publish/submit the revised public announcement, draft letter of offer /letter of offer and any other public notice as required by such relevant authorities;
 - j) extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and / or Board, as required under applicable law;
 - k) appointing and finalizing the terms of designated stock exchange, merchant bankers, brokers, escrow agents, registrars, legal counsel, depository participants, scrutinizer, compliance officer, advertising agency and such other intermediaries/ agencies / persons including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
 - l) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the Company and equity shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, Registrar of Companies, Stock Exchange, Depositories and/or other appropriate authorities;
 - m) obtaining all necessary certificates and reports from Statutory Auditors and other third parties as required under applicable law and to address queries as may arise in relation to the implementation of the Buyback;
 - n) dealing with Stock Exchange (including their clearing corporations) and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “*Mechanism for Acquisition of Shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting*” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 and such other circulars or notifications as may be applicable and the Company shall approach either NSE or BSE, as may be required, for facilitating the same.;
 - o) to sub-delegate all or any of the authorities conferred as above to any officer(s) / authorised representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or advisors;
 - p) to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper;
 - q) settle and resolve any queries or difficulties raised by SEBI, Stock Exchange, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback.

RESOLVED FURTHER THAT the common seal of the Company be affixed on relevant documents required to be executed for the Buyback if any, in accordance with the relevant provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT no information/material likely to have a bearing on the decision of the Investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to misstatement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to misstatement/ misrepresentation, the Board and the Company shall be liable for penalty, in terms of the provisions of the Companies Act and SEBI Buyback Regulations.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to Buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by law.

RESOLVED FURTHER THAT the Company to maintain a register of securities bought back wherein details of Equity Shares bought back, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying of Equity Shares and such

other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms with the ROC and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.

RESOLVED FURTHER THAT any of the above Directors or the Company Secretary of the Company, be and are hereby severally authorised to send the necessary intimations to the Stock Exchanges in relation to this resolution, as may be required under the Listing Regulations; to file necessary e-forms with the ROC and to do all such acts, deeds and things or incidental for signing and filing of forms, payment of fees etc. and to do all such other acts, things and deeds, as may be required for the aforesaid purpose or other services as that may be necessary to give effect to the above resolutions.

RESOLVED FURTHER THAT a copy of the foregoing resolution duly certified by any one of the Directors or the Company Secretary of the Company be furnished to the relevant / appropriate authorities on demand.”

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the SEBI Buyback Regulations, the Company has made the Public Announcement dated January 30, 2023 in relation to the Buyback which was published on January 31, 2023 in the following newspapers:

Name of the Newspaper	Language	Editions
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Daily Suraj	Punjabi	Regional Edition

A copy of this Public Announcement is available on the website of the Company at www.sportking.co.in, the website of the SEBI at www.sebi.gov.in during the period of Buyback and on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com and of the Registrar to the Buyback at www.beetalfinancial.com.

The Public Announcement was issued within two (2) working days from the date of approval of the Board.

The Company will publish further notices or corrigenda to or relating to the Public Announcement, if any, in the above mentioned newspapers.

6. DETAILS OF THE BUYBACK

- 6.1.** The Board of Directors of the Company at their meeting held on January 28, 2023 passed a resolution to buyback equity shares of the Company the buyback of up to 5,80,000 (Five Lakh Eighty Thousand) fully paid-up equity shares of face value of ₹ 10/- (Rupees Ten Only) each of the Company (“**Equity Shares**”) (representing 4.37% of the total number of Equity Shares in the existing total paid-up equity capital and total number of Equity Shares in the paid-up equity share capital as per the latest audited financial statements of the Company for the financial year ended March 31, 2022 of the Company) at a maximum price of ₹ 950/- (Rupees Nine Hundred Fifty only) per equity share (“**Buyback Price**”) (including a premium of ₹ 940/- per equity share) payable in cash for an maximum aggregate amount of up to ₹ 55,10,00,000/- (Rupees Fifty Five Crore Ten Lakh only) (excluding Company’s Transaction Cost) (“**Buyback Size**”), which represents 8.01% of the total of the paid-up equity share capital and free reserves as per the latest audited financials of the Company for the financial year ended March 31, 2022, which is not exceeding 10% of the total paid-up equity share capital and free reserves as per the audited financial statements for the financial year ended 31st March 2022 of the Company under the Board Approval route, as provided under the proviso to Section 68(2)(b) of the Companies Act, 2013, through the “**Tender offer**” route as prescribed under the SEBI Buyback Regulations on a proportionate basis, from all the existing shareholders/ beneficiary owners of the Company, including the promoter and promoter group (as defined under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011), holding fully paid-up equity shares of the Company as on Friday, February 10, 2023 (“**Record Date**”) (hereinafter defined) (“**Buyback**”). Please refer to section 20.6 below for details regarding the Record Date and share entitlement for tender in the Buyback.

- 6.2. The funds permissible to be deployed for Buyback shall not exceed 10% of fully paid-up equity share capital and free reserves (including securities premium) of the Company under the Board approval route, as provided under the proviso to Section 68(2)(b) of the Act. The total paid-up equity share capital and free reserves as per latest audited balance sheet of the Company for the financial year ended March 31, 2020 is ₹ 68,766.95 Lakhs. Accordingly, the maximum amount that can be utilized in the present Buyback is ₹ 6,876.70 Lakhs. The Company proposes to utilize an aggregate amount of up to ₹ 5,510.00 Lakh for the Buyback (excluding Transaction Cost) which is within the maximum amount as aforesaid and it represents 8.01% of the total paid-up equity share capital and free reserves of the Company.
- 6.3. The Buyback is in accordance with Article 40 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act and the relevant rules made thereunder including the Share Capital and Debentures Rules, Management and Administration Rules, to the extent applicable, and the provisions of the SEBI Buyback Regulations and SEBI Listing Regulations including any statutory modification or re-enactment thereof for the time being in force and the provisions contained in the SEBI Buyback Regulations.. The Buy-Back would be undertaken using the “Mechanism for acquisition of share through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting” bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circulars CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 (“SEBI Circulars”) and such other circulars or notifications as may be applicable and the Company shall request BSE being the designated stock exchange (“Designated Stock Exchange”). Once the Buy-Back is concluded, all Equity Shares bought back by the Company in the Buy-Back will be extinguished in terms of the SEBI Buy Back Regulations.
- 6.4. The Buyback shall be undertaken on a proportionate basis from all the Eligible Shareholders through the Tender Offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations and shall be implemented using the Stock Exchange Mechanism as specified by SEBI Circulars. In this regard, the Company will request BSE to provide the Acquisition Window for facilitating tendering of Equity Shares under the Buyback and for the purposes of this Buyback, BSE will be the designated stock exchange.
- 6.5. The shareholding of the Promoter and Promoter Group including person in control (“Promoter and Promoter Group”) as on the date of the Board Resolution (*i.e.* January 28, 2023) and date of publication of the Public Announcement (*i.e.* January 31, 2023) is given below:

Sr. No.	Name of the Promoter and Promoter Group	No. of Equity Shares held	Percentage (%)
1	Raj Kumar Avasthi (Deceased)	12,86,000	9.68
2	Munish Avasthi	9,70,422	7.30
3	Anjali Avasthi	8,454	0.06
4	Anjali Dada	6,000	0.05
5	Suraj Dada	8,800	0.07
6	Parveen Avasthi	6,50,000	4.89
7	Angel Finvest Private Limited	19,51,600	14.69
8	Aradhna Knitwears Private Limited	72,572	0.55
9	Sobhagia Logistics Private Limited	31,95,940	24.05
10	Sobhagia Sales Private Limited	17,02,260	12.81
	Total	98,52,048	74.15

- 6.6. As on the date of the Board Resolution *i.e.* January 28, 2023 and date of publication of the Public Announcement *i.e.* January 31, 2023 none of the directors of the companies forming part of Promoter and Promoter Group held any Equity Shares in the Company except the following:

Name of the Directors of Companies Forming part of Promoter and Promoter Group	No. of Equity Shares held in the Company	Percentage (%)
Angel Finvest Private Limited		
Munish Avasthi	9,70,422	7.30
Anjali Avasthi	8,454	0.06
Sobhagia Logistics Private Limited		
Parveen Avasthi	6,50,000	4.89
Munish Avasthi	9,70,422	7.30
Naresh Kumar Jain	5,200	0.04

Name of the Directors of Companies Forming part of Promoter and Promoter Group	No. of Equity Shares held in the Company	Percentage (%)
Sobhagia Sales Private Limited		
Munish Avasthi	9,70,422	7.30
Parveen Avasthi	6,50,000	4.89
Anjali Avasthi	8,454	0.06

- 6.7. Except as disclosed below none of the director of the Company (“Directors”) or key managerial personnel of the Company (“KMPs”) hold any Equity Shares in the Company, as on the date of the Board Meeting *i.e.* January 28, 2023 and date of publication of the Public Announcement *i.e.* January 31, 2023:

Sr. No.	Name of the Director	Designation	No of Equity Shares held	Percentage (%)
1.	Munish Avasthi	Managing Director	9,70,422	7.30
2.	Naresh Kumar Jain	Executive Director	5,200	0.04
3.	Anjali Avasthi	Non-Executive and Non-Independent Director	8,454	0.06

- 6.8. Except as disclosed below, no Equity Shares or other specified securities in the Company were either purchased or sold (either through the stock exchanges or off market transaction) by any of the Promoters, members of the Promoter Group, directors of the Promoters and Promoter Group, where such Promoter or Promoter Group entity is a Company, by persons who are in control of the Company, Directors and KMPs during a period of six months and twelve months preceding the date of the Board Meeting *i.e.* January 28, 2023 and from the date of the Board Resolution at which the Buyback was approved and from that date till the date of the Public Announcement *i.e.* January 30, 2023:

Aggregate number of Equity Shares purchased/ sold	Nature of transaction	Minimum Price (₹)	Date of Minimum Price	Maximum Price (₹)	Date of Maximum Price
Anjali Avasthi - Non-Executive and Non-Independent Director					
4,454	Market Purchase	1,092.22	March 08, 2022	1,092.22	March 08, 2022

- 6.9. In terms of the SEBI Buyback Regulations, under the Tender Offer, the Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, some members of the Promoter and Promoter Group of the Company have expressed their intention vide their letters dated January 28, 2023 to participate in the Buyback and offer up to an aggregate maximum number of 85,66,048 Equity Shares which has been detailed in section 9.3 and 9.4 of this DLOF. The Promoter and Promoter Group of the Company are already having control over the affairs of the Company and therefore any further increase in voting rights of the Promoter and Promoter Group, if any, consequent to Buyback of Equity Shares, will not result in any change in control over the affairs of the Company and shall be in compliance with the provisions of Takeover Regulations.
- 6.10. The pre Buyback shareholding of Promoter and Promoter Group of the Company is at 74.15% of the fully paid-up equity share of the Company and assuming that the response to the Buyback is 100% (full acceptance) from all the Eligible Shareholders in proportion of their respective Buyback Entitlement, post-Buyback shareholding of Promoter and Promoter Group of the Company will be [●]% of the total number of outstanding equity shares of the Company. For details with respect to aggregate shareholding of Promoter and Promoter Group post-Buyback please refer section 13.4 of this DLOF.
- 6.11. Pursuant to the proposed Buyback and depending upon the response of the Buyback the voting rights of the Promoter and Promoter Group in the Company may increase / decrease over the existing holding of 74.15% of the outstanding equity shares of the Company. The Promoter and Promoter Group has undertaken that in case there is an increase in the voting rights of the Promoter and Promoter Group over 75%, necessary steps will be taken to reduce the shareholding of the Promoter and Promoter Group in accordance with the provisions contain in the Rule 19A(1) of the Securities Contract (Regulation) Rules, 1957, as amended so that the Company is in due compliance with the minimum public shareholding requirement as provided under Regulation 38 of the SEBI Listing Regulations.
- 6.12. Participation in the Buyback by Eligible Shareholders may trigger tax implications in India and in their country of residence. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a Letter of Offer, which will contain a more detailed

note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are advised to consult their own legal, financial and tax advisors for the applicable tax implications prior to participating in the Buyback.

- 6.13.** The Buyback from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt / provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the RBI under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

7. AUTHORITY FOR THE BUYBACK

- 7.1.** The Buyback is being undertaken by the Company in accordance with the provisions of Article 40 of Articles of Association of the Company and Section 68, 69 and 70 and all other applicable provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable and in compliance with the SEBI Buyback Regulations and subject to such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board or committee authorized by the Board in this regard.
- 7.2.** The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI and Stock Exchanges.
- 7.3.** The Board at its meeting held on January 28, 2023 passed resolution(s) approving the Buyback of Equity Shares of the Company since the Buyback Size is less than 10% (Ten percent) of the total paid-up equity share capital and free reserves of the Company.

8. NECESSITY OF THE BUYBACK

The Buyback proposal aims to effectively utilize surplus cash by rewarding the shareholders/beneficiary owner. The Buyback of equity shares will result in reduction of paid up equity share capital which may be accompanied by likely increase in Return on Capital Employed. The Company believes that the Buyback may create long term value for the shareholders. The Buyback through “Tender Offer” method as specified under the SEBI Buyback Regulations gives an option to existing shareholders to either receive the surplus cash by participating in the Buyback or remain invested and enjoy percentage increase in the shareholding in the post Buyback capital without any additional investments.

The Buyback through “Tender Offer”, inter-alia, offers the following advantages:

- a) The Buyback will help the Company to distribute surplus cash to its shareholders in proportion to their shareholding;
- b) The Buyback involves allocation of 15% reservation to small shareholders subject to their entitlement. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as a “small shareholder”;
- c) The Buyback may help in improving financial ratios such as Earnings per share, Return on equity, by reducing the equity base of the Company. It will also lead to long term increase in shareholder's value; and
- d) The Buyback gives an option to the existing shareholders to either participate in the Buyback and receive cash in lieu of equity shares accepted under the Buyback or not participate in the Buyback and enjoy a resultant increase in their percentage shareholding in the Company post the Buyback.

9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1.** The Buyback is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. The Buyback may help in improving financial ratios such

as Earnings per share, return on equity, by reducing the equity base of the Company. It will also lead to long term increase in shareholder's value. Assuming that the response to the Buyback is 100% (full acceptance) from all the Eligible Shareholders in proportion of their respective Buyback Entitlement, the funds deployed by the Company towards the Buyback would not be exceeding ₹ 55,10,00,000/- (Rupees Fifty Five Crore Ten Lakh only) excluding Transaction Costs.

- 9.2. In terms of the SEBI Buyback Regulations, under the Tender Offer route, the Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, Promoter and Promoter Group of the Company vide their letters dated January 28, 2023 have expressed their intention to tender Equity Shares in the Buyback.
- 9.3. The maximum number of Equity Shares to be tendered by the Promoter and Promoter Group who have expressed their intention to tender Equity Shares in the Buyback is as under:

Sr. No.	Name of the Promoter and Promoter Group	Maximum no. of equity shares which may be tendered
1	Munish Avasthi	9,70,422
2	Anjali Avasthi	8,454
3	Anjali Dada	6,000
4	Suraj Dada	8,800
5	Parveen Avasthi	6,50,000
6	Angel Finvest Private Limited	19,51,600
7	Aradhna Knitwears Private Limited	72,572
8	Sobhagia Logistics Private limited	31,95,940
9	Sobhagia Sales Private Limited	17,02,260
Total		85,66,048

- 9.4. Details of the date and price of the equity shares allotted/ acquired/ credited/ transferred/ transmitted to the Promoter and Promoter Group, which are intended to be tendered are set-out below:

a) **Munish Avasthi**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
February 10, 1993	Off Market Purchase	1,000	10.00	10,000
April 05, 1993	Off Market Purchase	1,000	10.00	10,000
April 05, 1993	Off Market Purchase	1,000	10.00	10,000
March 01, 1994	Off Market Purchase	1,000	10.00	10,000
March 01, 1994	Off Market Purchase	1,000	10.00	10,000
March 01, 1994	Off Market Purchase	1,000	10.00	10,000
March 16, 1994	Further Allotment	1,01,000	10.00	10,10,000
August 22, 1994	Off Market Purchase	1,000	10.00	10,000
February 25, 1995	Further Allotment	14,000	10.00	4,90,000
July 08, 2013	Off Market Purchase	400	10.00	14,000
September 02, 2013	Off Market Purchase	400	10.00	14,000
September 02, 2013	Off Market Purchase	400	10.00	14,000
October 22, 2014	Off Market Purchase	400	10.00	14,000
October 22, 2014	Off Market Purchase	400	10.00	14,000
October 22, 2014	Off Market Purchase	1,500	10.00	52,500
October 22, 2014	Off Market Purchase	200	10.00	7,000
October 22, 2014	Off Market Purchase	200	10.00	7,000
October 22, 2014	Off Market Purchase	200	10.00	7,000
October 22, 2014	Off Market Purchase	200	10.00	7,000
October 22, 2014	Off Market Purchase	400	10.00	14,000
November 10, 2014	Off Market Purchase	200	10.00	7,000
September 25, 2015	Off Market Purchase	1,000	10.00	35,000
September 25, 2015	Off Market Purchase	600	10.00	15,000
September 25, 2015	Off Market Purchase	600	10.00	15,000
September 25, 2015	Off Market Purchase	200	10.00	7,000

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
September 17, 2016	Off Market Purchase	1,00,000	10.00	69,17,000
February 09, 2017	Off Market Purchase	1,000	10.00	35,000
February 15, 2017	Off Market Purchase	400	10.00	14,000
November 23, 2017	Off Market Purchase	10,000	10.00	3,50,000
September 28, 2021	Bonus Issue	7,22,100	10.00	NA
December 22, 2021	Open Market Purchase	2,156	10.00	27,00,212
December 23, 2021	Open Market Purchase	3,472	10.00	44,66,872
December 24, 2021	Open Market Purchase	1,994	10.00	25,67,415
Total		9,70,422		

b) Anjali Avasthi

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
February 25, 1995	Further Allotment	1,000	10.00	35,000
September 28, 2021	Bonus Issue	3,000	10.00	NA
March 08, 2022	Open Market Purchase	4,454	10.00	48,64,746
Total		8,454		

c) Anjali Dada

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
December 12, 1995	Further Allotment	1,500	10.00	52,500
September 28, 2021	Bonus Issue	4,500	10.00	NA
Total		6,000		

d) Suraj Dada

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
February 20, 1996	Further Allotment	2,200	10.00	77,000
September 28, 2021	Bonus Issue	6,600	10.00	NA
Total		8,800		

e) Parveen Avasthi

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
February 15, 1989	Subscriber to the Memorandum	1,000	10.00	10,000
March 16, 1994	Further Allotment	1,58,000	10.00	15,80,000
August 22, 1994	Off Market Purchase	1,000	10.00	10,000
September 30, 1995	Off Market Purchase	1,000	10.00	10,000
September 30, 1995	Off Market Purchase	1,000	10.00	10,000
September 30, 1995	Off Market Purchase	500	10.00	5,000
September 28, 2021	Bonus Issue	4,87,500	10.00	NA
Total		6,50,000		

f) Angel Finvest Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
November 10, 2012	Off Market Purchase	3,99,700	10.00	1,39,89,500
December 10, 2012	Off Market Purchase	29,900	10.00	10,46,500
July 21, 2014	Off Market Purchase	58,300	10.00	20,40,500

September 28, 2021	Bonus Issue	14,63,700	10.00	NA
Total		19,51,600		

g) Aradhna Knitwears Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
February 20, 1996	Further Allotment	21,600	10.00	7,56,000
August 26, 2021	Market Sale	(38)	10.00	(1,52,681)
August 27, 2021	Market Sale	(2,169)	10.00	(90,52,124)
September 01, 2021	Market Sale	(150)	10.00	(6,06,176)
September 02, 2021	Market Sale	(100)	10.00	(4,08,959)
September 03, 2021	Market Sale	(1,000)	10.00	(41,15,147)
September 28, 2021	Bonus Issue	54,429	10.00	NA
Total		72,572		

h) Sobhagia Logistics Private limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
December 12, 1995	Further Allotment	5,37,585	10.00	1,88,15,475
February 01, 1996	Off Market Purchase	70,000	10.00	7,00,000
August 01, 1996	Off Market Purchase	4,000	10.00	97,500
September 15, 1996	Off Market Purchase	11,500	10.00	3,98,017
November 30, 1996	Off Market Purchase	8,700	10.00	3,04,500
August 14, 1997	Off Market Purchase	8,300	10.00	2,40,000
April 07, 1998	Off Market Purchase	26,200	10.00	7,09,500
March 20, 1999	Off Market Purchase	2,200	10.00	63,000
January 31, 2000	Off Market Purchase	15,200	10.00	5,24,000
April 30, 2000	Off Market Purchase	20,500	10.00	7,06,000
July 31, 2000	Off Market Purchase	6,200	10.00	1,92,000
October 31, 2000	Off Market Purchase	6,400	10.00	1,49,000
July 31, 2001	Off Market Purchase	200	10.00	7,000
February 22, 2003	Off Market Purchase	100	10.00	3,500
October 30, 2004	Off Market Purchase	77,500	10.00	26,48,500
April 28, 2014	Off Market Purchase	4,300	10.00	1,00,000
July 07, 2014	Off Market Purchase	100	10.00	3,500
September 28, 2021	Bonus Issue	23,96,955	10.00	NA
Total		31,95,940		

i) Sobhagia Sales Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Total Consideration (₹)
February 25, 1995	Further Allotment	1,10,000	10.00	11,00,000
February 28, 1995	Further Allotment	1,10,000	10.00	11,00,000
December 12, 1995	Further Allotment	3,32,000	10.00	1,16,20,000
February 01, 1996	Off Market Purchase	37,500	10.00	13,12,500
February 20, 1996	Further Allotment	29,900	10.00	10,46,500
April 07, 1998	Off Market Purchase	3,700	10.00	1,29,500
March 20, 1999	Off Market Purchase	44,215	10.00	15,47,525
October 30, 1999	Off Market Purchase	8,000	10.00	2,80,000
October 31, 2000	Off Market Purchase	32,600	10.00	11,41,000
March 30, 2009	Off Market Purchase	75,000	10.00	43,58,000
November 10, 2012	Market Sale	(3,99,700)	10.00	(1,39,89,500)
December 10, 2012	Market Sale	(29,900)	10.00	(10,46,500)
July 21, 2014	Market Sale	(58,300)	10.00	(20,40,500)

October 31, 2016	Pursuant to Scheme of Amalgamation with Classic Wears Private Limited	1,30,550	10.00	NA
September 28, 2021	Bonus Issue	12,76,695	10.00	NA
Total		17,02,260		

- 9.5. Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may increase / decrease to [●]% from 74.15% prior to Buyback. Please refer to section 13.4 for further details.
- 9.6. Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Equity Shareholders other than Promoter and Promoter Group of the Company, post the Buyback may increase / decrease to [●]% from 25.85% prior to Buyback. Please refer to section 13.4 for further details.
- 9.7. Consequent to the Buyback and depending on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and other public shareholders, the shareholding of each such person shall undergo a change. Please refer to section 13.4 for further details.
- 9.8. The debt-equity ratio immediately on completion of Buyback shall be in compliant with the permissible limit of 2:1 prescribed under Section 68(2)(d) of the Act and Regulation 4(ii) of the SEBI Buyback Regulations, even if the response to the Buyback is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buyback Entitlement.
- 9.9. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for its business operations. The Buyback may help in improving return on equity and other financial ratios, by a reduction in the equity base, thereby leading to long term increase in shareholder's value.
- 9.10. The Promoter and Promoter Group of the Company shall not deal in the Equity Shares of the Company on Stock Exchange or off market, including by way of inter-se transfer(s) of Equity Shares amongst the Promoter and Promoter Group during the period from the date of passing the board resolution till the closing of the Buyback.
- 9.11. In compliance with regulation 24(i)(b) of the SEBI Buyback Regulations, the Company shall not issue any new Equity Shares or other specified securities including by way of bonus till the date of closure of the Buyback Period.
- 9.12. The Company shall not raise further capital for a period of one year from the closure of the Buyback except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- 9.13. The Company shall not make any further issue of the same kind of Equity Shares or other securities including allotment of new equity shares under Section 62(1)(a) or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus shares or Equity Shares issued in order to discharge subsisting obligations such as conversion of warrants, stock option schemes (including stock appreciation rights schemes), sweat equity or conversion of preference shares or debentures into Equity Shares;
- 9.14. The Company, in compliance with Regulation 4(v) of the SEBI Buyback Regulations, is not undertaking this Buyback so as to delist its Equity Shares or other specified securities from the Stock Exchange.
- 9.15. Salient financial parameters consequent to the Buyback based on the audited financial statements for the financial year ended on March 31, 2022 are as under:

Parameters	Based on Audited Financial Statements as on March 31, 2022	
	Pre Buyback	Post Buyback
Net Worth (₹ in Lakh)	68,783.03	63,273.03
Profit after Tax before other comprehensive income (₹ in Lakhs)	40,924.92	40,924.92
Return on Net Worth (in %)	59.50%	64.68%
Earnings Per Equity Share (Basic) (₹)	308.00	322.06
Earnings Per Equity Share (Diluted) (₹)	308.00	322.06
Book Value per Equity Share (₹)	517.66	497.93
Price Earnings (PE) Multiple (in times) (BSE)	3.51	3.36
Debt-Equity ratio (in times)	0.70	0.75

(1) Net Worth = Net worth as defined in sub Section (57) of Section 2 of the Companies Act, 2013 (i.e. paid-up share capital and all reserves created out of the profits and securities premium account)

(2) Return on Net Worth = Profit/(Loss) after Tax / Net worth*100

(3) Earnings per Equity Share (Basic and Diluted) pre Buyback = Profit / (Loss) after tax / Weighted number of Equity Shares outstanding

(4) Earnings per Equity Share post Buyback is computed after reducing 5,80,000 Equity Shares to be bought back under the Buyback from number of outstanding Equity Shares

(5) Book value per Equity Share = Net worth / Number of outstanding Equity Shares

(6) PE Multiple = Market Price quoted on BSE / EPS diluted

(7) Equity Share price used to calculate PE Multiple has been taken as closing price on March 31, 2022 on BSE which was ₹ 1,081.55 and is not available on NSE as the Equity Shares were listed on NSE on August 24, 2022.

(8) Debt-Equity Ratio = Total Debt (including working capital loans) / Total Equity

(9) Total Equity = Equity Share Capital + Other Equity

10. BASIS OF CALCULATING THE BUYBACK PRICE

10.1. The Equity Shares are proposed to be bought back at a price of ₹ 950/- (Rupees Nine Hundred Fifty only) per Equity Share (including a premium of ₹ 940/- per equity share). The Buyback Offer Price has been arrived at, after considering various factors including, but not limited to the trends in the volume weighted average prices of the Equity Shares on Stock Exchanges where the Equity Shares are listed, impact on net worth of the Company, price earnings ratio, earnings per share and other financial parameters.

10.2. The Buyback Offer Price represents:

- Premium of 34.75% and 35.77% over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively, during the three months preceding January 21, 2023, being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback (“**Intimation Date**”).
- Premium of 35.45% and 36.68% over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively, for sixty trading days preceding the Intimation Date.
- Premium of 36.92% and 35.83% over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively, for two weeks preceding the Intimation Date.
- Premium of 42.27% and 42.57% over the closing price of the Equity Shares on NSE and BSE, respectively, as on January 20, 2023, being the working day preceding the Intimation Date.
- Premium of 34.48% and 34.07% over the closing price of the Equity Share on NSE and BSE, respectively, as on January 28, 2023, being the working day preceding the Board Meeting Date wherein proposal for Buyback was approved.

10.3. For trends in the market price of the Equity Shares, please refer section “*Stock Market Data*” of this Draft Letter of Offer.

10.4. Certain financial ratios as at March 31, 2022 (“**Pre-Buyback**”) as derived from our audited financial statements and the corresponding ratios assuming full acceptance of Equity Shares in the Buyback (“**Post-Buyback**”) are set out in sections 9.15 and 15.2 of this DLOF.

11. SOURCES OF FUNDS FOR THE BUYBACK

11.1. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be ₹ 55,10,00,000/- (Rupees Fifty Five Crore Ten Lakh Only), excluding Transaction Cost.

11.2. The funds required for implementation of the Buyback (including the Transaction Costs) will be sourced from current balances of cash and cash equivalents and/ or internal accruals of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, borrowed funds from banks and financial institutions if any will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business during / before expiry of Buyback Period, as provided under law / SEBI Buyback Regulations.

11.3. The Company confirmed that the Buyback shall be made out of free reserves and/ or securities premium account of the Company, and/ or such other sources as may be permitted by the SEBI Buyback Regulations of the Companies Act as at March 31, 2022 (the last audited financial statements available as on the date of Board meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet and annual report.

11.4. The Company confirms that the funds for the Buyback will be made available out of its internal accrual and not out of the funds borrowed, if any, from banks and financial institutions.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

12.1. In accordance with Regulation 9(xi) of the SEBI Buyback Regulations, the Company has appointed [●] as the Escrow Agent for the Buyback. The Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated [●], pursuant to which the Escrow Account in the name and style “[●]” bearing account number [●] has been opened with the Escrow Agent at its branch office located at [●], the Company will deposit ₹ [●] in the Escrow Account, in terms of the SEBI Buyback Regulations. The Manager to the Buyback has been empowered under the Escrow Agreement to operate the Escrow Account in accordance with the SEBI Buyback Regulations.

12.2. The Company has adequate and firm financial resources to fulfill its obligations under the Buyback and the same have been certified vide a certificate dated January 28, 2023 by Mr. Sanjiv Mohan (Membership No.: 086066), Partner of M/s. SCV & Co, LLP Chartered Accountants (Firm Registration No.: 00235N/N500089), having their office at B-XIX-220, Rani Jhansi Road, Near SBI Treasury Branch, Ghumar Mandi, Ludhiana 141 001, Punjab, India, Tel. No.: +91 161 2774527.

12.3. Based on the above mentioned certificate, the Manager to the Buyback confirms that it is satisfied that the firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the SEBI Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1. The present (as on the date of this Draft Letter of Offer) and the Post Buyback capital structure of the Company are as follows:

(₹ in Lakh)			
Sr. No.	Particulars	Pre Buyback	Post Buyback*
1	Authorized Share Capital:		
	1,50,00,000 Equity Shares of ₹ 10/- each	1,500.00	1,500.00
	2,00,00,000 Redeemable Preference Shares of Rs 10/-	2,000.00	2,000.00
	Total	3,500.00	3,500.00
2	Issued and Subscribed Share Capital		
	1,32,87,200 Equity Shares of ₹ 10/- each	1,328.72	--
	1,27,07,200 Equity Shares of ₹ 10/- each	--	1,270.72

	68,32,000 Redeemable Preference Shares of ₹ 10/- each	683.20	683.20
	Total	2,011.92	1,953.92
3	Paid-up Share Capital		
	1,32,87,200 Equity Shares of ₹ 10/- each	1,344.80	--
	1,27,07,200 Equity Shares of ₹ 10/- each	--	1,286.80
	68,32,000 Redeemable Preference Shares of ₹ 10/- each	683.20	683.20
	Total	2,027.00	1,970.00

Note: 2,39,200 equity shares being forfeited by the Company in November 2020. Further, Paid-up Capital include amount paid upon Forfeited Equity Shares

**Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buyback Entitlement.*

13.2. The Company did not implement any Buyback programme in the three years preceding the date of Public Announcement.

13.3. As on date, there are no partly paid-up Equity Shares outstanding or outstanding convertible instruments or calls in arrears.

13.4. The shareholding pattern of the Company as on the date of the Board Resolution *i.e.* January 28, 2023, as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as follows:

Category of Shareholder	Pre-Buyback		Post-Buyback*	
	Number of Equity Shares	% to pre Buyback Equity Share capital	Number of Equity Shares	% to post Buyback Equity Share capital
Promoter and Promoter Group	98,52,048	74.15	[●]	[●]
Foreign Investors (including Non-Resident Indians FPIs and Foreign Mutual Funds)	2,81,254	2.12	[●]	[●]
Others (Public, Public Bodies Corporate, etc.)	31,53,898	23.73	[●]	[●]
Total	1,32,87,200	100.00	[●]	[●]

**Note: Assuming the full Acceptance of the Buyback Offer Size in accordance with the Buyback Entitlement for all Eligible Shareholders. However, the post-Buyback shareholding pattern may differ.*

13.5. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

13.6. Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may increase / decrease to [●]% from 74.15% (prior to the Buyback).

14. BRIEF INFORMATION ABOUT THE COMPANY

14.1. History of the Company

Sportking India Limited was incorporated on February 15, 1989 under the Companies Act, 1956 as a public limited company. The Company obtained its certificate of commencement of business on June 5, 1990. The registered office of the Company is located at Village Kanech, Near Sahnewal, G.T. Road, Ludhiana-141120. The Equity Shares of the Company were listed on BSE and NSE with effect from July 22, 2015 and August 24, 2022 (Scrip Code: 539221; Symbol: SPORTKING), respectively. The ISIN of the Equity Shares is INE885H01011.

The Company is engaged in the business of manufacturing and export of Cotton/Cotton blended/ Synthetic Yarn having two Spinning Unit at Ludhiana and Bathinda along with Dye House facility at Ludhiana. As on date the present installed capacity of all unit 315504 Spindles along with Dye House which are a large size in the textile industry Further the Company is also in process of installation of 63072 Spindles at their

Bathinda Unit for manufacturing of Cotton Yarn which will be commercial operate on or before 31st March 2023.

14.2. Growth of Business

Taking advantage of an opportunity in the Indian financial market, the Company has generated revenue from operations and the Company is poised to maintain its growth in the coming years.

14.3. Financial Performance

As per audited financial statements for the financial years ended March 31, 2022, 2021 and 2020, the Company recorded total revenue of ₹ 2,17,816.30 Lakhs, ₹ 1,32,483.95 Lakhs and ₹ 1,35,803.70 respectively, and Profit/ (Loss) after tax of ₹ 40,924.92 Lakhs, ₹ 8,452.88 and ₹ 1,235.77 respectively.

14.4. The details of changes in the equity share capital of the Company since its incorporation are as follows:

Date of Allotment	No. of Equity Shares issued	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative No. of Equity Shares*	Details
February 15, 1989	7,000	10.00	10.00	Cash	7,000	Subscriber to the Memorandum
September 28, 1990	1,37,500	10.00	10.00	Cash	1,44,500	Further Allotment
October 30, 1990	8,000	10.00	10.00	Cash	1,52,500	Further Allotment
January 31, 1991	2,500	10.00	10.00	Cash	1,55,000	Further Allotment
March 16, 1994	5,22,000	10.00	10.00	Cash	6,77,000	Further Allotment
February 25, 1995	2,38,450	10.00	35.00	Cash	9,15,450	Further Allotment
February 28, 1995	1,39,550	10.00	35.00	Cash	10,55,000	Further Allotment
December 12, 1995	10,71,500	10.00	35.00	Cash	21,26,500	Further Allotment
December 16, 1995	3,00,000	10.00	35.00	Cash	24,26,500	Further Allotment
February 20, 1996	11,34,500	10.00	35.00	Cash	35,61,000	Further Allotment
November 09, 2020	(2,39,200)	10.00	NA	Cash	33,21,800	Forfeiture of Shares
September 28, 2021	99,65,400	NA	NA	Other than Cash	1,32,87,200	Bonus Issue
Total	1,32,87,200					

14.5. The Details of the Board of Directors of the Company as on date of publication Public Announcement *i.e.* January 31, 2023 are as follows:

Name, DIN, Age and Occupation of the Director	Designation	Qualifications	Date of Appointment	Other Directorships / Designated Partner in LLP
Name: Munish Avasthi DIN: 00442425 Age: 49 Occupation: Business	Chairman and Managing Director	Bachelor of Commerce from Delhi University	October 25, 1999	1. Go Green Projects Private Limited 2. Marvel Dyers And Processors Private Limited 3. Dee-emm Ventures Private Limited 4. Sobhagia Sales Private Limited 5. Angel Finvest Private Limited 6. Sobhagia Logistics Private Limited
Name: Naresh Kumar Jain DIN: 00254045 Age: 69 Occupation: Service	Executive Director	Bachelor of Arts from Punjab University	July 30, 2009	1. Sobhagia Logistics Private Limited

Name, DIN, Age and Occupation of the Director	Designation	Qualifications	Date of Appointment	Other Directorships / Designated Partner in LLP
Name: Anjali Avasthi DIN: 06911970 Age: 47 Occupation: Business	Non-Executive Non-Independent Director	Bachelor of Arts from Punjab University	September 03, 2022	1. Go Green Projects Private Limited 2. Sobhagia Sales Private Limited 3. Angel Finvest Private Limited
Name: Sandeep Kapur DIN: 07016726 Age: 56 Occupation: Professional	Independent Director	Bachelor of Technology, Master of Business and Administration and Doctor of Philosophy from Punjab Agricultural University	November 03, 2018	1. Vardhman Yarns And Threads Limited 2. Ralson (India) Limited 3. Ludhiana Smart City Limited 4. Kangaro Industries Limited
Name: Harpreet Kang DIN: 03049487 Age: 49 Occupation: Professional	Independent Director	Graduate from Harvard University, Masters in Journalism from Punjab Agricultural University	October 17, 2020	1. Vardhman Textiles Limited
Name: Prashant Kochhar DIN: 07298730 Age: 48 Occupation: Chartered Accountant	Independent Director	Chartered Accountant from the Institute of Chartered Accountants of India	September 30, 2015	1. Fans Travel Private Limited

14.6. The details of changes in the Board of Directors during the last 3 years preceding the date of Public Announcement *i.e.* January 30, 2023 are as under:

Name of the Director	Appointment / Resignation*	Effective Date	Reasons/ Remarks
Anjali Avasthi	Appointment	September 3, 2022	Appointed as Non-Executive Director
Raj Kumar Avasthi	Cessation	July 23, 2022	Due to Death

*Excludes re-appointment and change in designation

14.7. The Buyback will not result in any benefit to any Directors of the Company except to the extent of the Equity Shares held by them in the Company which they may tender in the Buyback or the Promoter and Promoter Group of the Company except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share Capital of the Company, post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company from the audited financial statements for the preceding three financial years being March 31, 2022, March 31, 2021 and March 31, 2020, and unaudited limited review for nine months ended December 31, 2022 are as under:

(Amount in ₹ in Lakh)

Particulars	For the nine months ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Unaudited	Audited	Audited	Audited
Months	9	12	12	12
Revenue from Operations	1,67,135.68	2,15,401.18	1,30,623.67	1,35,505.11
Other Income	923.97	2,415.12	1,860.28	298.59

Total Income	1,68,059.65	2,17,816.30	1,32,483.95	1,35,803.70
Total Expenses (excluding finance cost, depreciation, Tax and Exceptional Items)	1,44,826.36	1,55,831.72	1,09,739.40	1,21,888.44
Finance Cost	2,076.20	2,857.81	3,577.23	5,753.34
Depreciation	3,426.95	4,385.91	5,173.43	6,333.66
Exceptional Items	2,965.31	-	2,195.10	-
Profit/(Loss) before Tax	14,764.83	54,740.86	11,798.79	1,828.26
Provision for Tax (including Deferred Tax)	4,652.18	13,815.94	3,345.91	592.49
Profit/(Loss) After Tax	10,112.65	40,924.92	8,452.89	1,235.77
Other comprehensive income	-	134.09	104.64	-41.46
Total comprehensive income	10,112.65	41,059.01	8,557.52	1,194.31
Paid-up Equity share capital	1,344.80	1,344.80	348.26	346.38
Reserves & Surplus	85,514.47	75,401.80	35,339.33	24,860.05
Net worth	78,895.70	68,783.03	27,304.31	18,844.53
Total Debt (excluding working capital loans)	24,424.89	15,823.06	23,943.53	28,105.75
Total Debt (including working capital loans)	29,889.12	53,677.08	50,337.32	57,219.23

The annual audited financial statements for the year ended March 31, 2022, 2021 and 2020 and unaudited limited review financial statements for Nine months ended December 31, 2022 have been prepared in accordance with the Indian Accounting Standard (Ind AS) specified under the Act.

15.2. Key Financial Ratios

Particulars	For the nine months ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Unaudited	Audited	Audited	Audited
Earnings Per Equity Share (₹) (Basic)	76.11	308.00	63.19	9.14
Earnings Per Equity Share (₹) (Diluted)	76.11	308.00	63.19	9.14
Return on Net Worth (p.a.) (%)	17.09%	59.50%	30.96%	6.56%
Book Value Per Equity Share (₹)	593.77	517.66	205.49	139.32
Debt-Equity Ratio	0.34	0.70	1.41	2.27

Note:

- (1) For the purpose of computation of 'Earnings per Equity share' and 'Book Value per Equity Share' for the year ended March 31, 2021 and March 31, 2020, the number of equity shares have been adjusted for the bonus shares allotted by the Company during the year ended March 31, 2022.
- (2) Net Worth = Net worth as defined in sub Section (57) of Section 2 of the Companies Act, 2013 (i.e. paid-up share capital and all reserves created out of the profits and securities premium account)
- (3) Earnings per Equity Share (Basic and Diluted) = Profit after tax / Weighted number of Equity Shares outstanding
- (4) Book value per Equity Share = Net worth / Number of outstanding Equity Shares
- (5) Debt-Equity Ratio = Total Debt (including working capital loans) / Total Equity
- (6) Return on Net Worth = Profit/(Loss) after Tax / Net worth*100
- (7) Total debt (excluding working capital loan) = Long Term Borrowings + Current Maturities of long term debt
- (8) Total debt (including working capital loan) = Long Term Borrowings + Short Term Borrowings.
- (9) Total Equity = Equity Share Capital + Other Equity

15.3. The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act, 2013 and the rules made thereunder.

16. STOCK MARKET DATA

16.1. The Equity Shares are currently listed and traded on BSE Limited and NSE Limited. The Equity Shares are currently traded under the trading code(s) 539221 at BSE and **SPORTKING** at NSE. The ISIN of the Equity Shares of the Company is **INE885H01011**

16.2. The high, low and average market prices in preceding three financial years (April to March) and the monthly high, low and average market prices for the six completed calendar months preceding the date of publication of Public Announcement and the corresponding volumes on BSE and NSE are as follows:

a. BSE

Period	High			Low			Average Price ⁽³⁾ (₹)	Total Volume Traded in the period (No. of shares)
	High Price ⁽¹⁾ (₹)	Date of High Price	No. of shares traded on that date	Low Price ⁽²⁾ (₹)	Date of Low Price	No. of shares traded on that date		
PRECEDING 3 FINANCIAL YEARS								
FY 2020	530.00	April 01, 2019	124	188.80	March 31, 2020	25	341.52	38,188
FY 2021	999.00	March 23, 2021	713	146.35	April 17, 2020	11	395.21	1,35,373
From April 1, 2021 to September 22, 2021(4)	5,448.00	September 15, 2021	17,715	856.40	April 01, 2021	224	2,653.06	8,01,437
From September 23, 2021 to March 31, 2022(4)	2,046.95	October 7, 2021	34,211	1,038.50	February 25, 2022	12,171	1,375.47	25,36,096
PRECEDING SIX COMPLETED CALENDAR MONTHS								
July 2022	990.00	July 22, 2022	16,829	886.25	July 01, 2022	5,303	932.21	2,43,341
August 2022	1,122.00	August 24, 2022	56,072	831.00	August 10, 2022	12,335	923.14	4,76,960
September 2022	952.10	September 05, 2022	31,675	723.00	September 30, 2022	23,425	855.16	5,32,108
October 2022	913.50	October 11, 2022	47,119	655.15	October 31, 2022	73,439	818.75	4,96,235
November 2022	750.00	November 29, 2022	5,432	641.05	November 28, 2022	13,071	680.34	1,06,428
December 2022	800.00	December 02, 2022	15,322	637.10	December 26, 2022	2,183	712.45	1,62,179

Source: www.bseindia.com

Note:

⁽¹⁾ High of daily high prices.

⁽²⁾ Low of daily low prices.

⁽³⁾ Average of the daily closing price

⁽⁴⁾ The Company had made 3 bonus issues of 1 Equity Share for every Equity Share held. The record date for the same was September 24, 2021.

⁽⁵⁾ In case of two days with the same price, the date with the higher volume has been chosen.

b. NSE

Period	High			Low			Average Price ⁽³⁾ (₹)	Total Volume Traded in the period (No. of shares)
	High Price ⁽¹⁾ (₹)	Date of High Price	No. of shares traded on that date	Low Price ⁽²⁾ (₹)	Date of Low Price	No. of shares traded on that date		
PRECEDING 3 FINANCIAL YEARS								
FY 2020	NA	NA	NA	NA	NA	NA	NA	NA
FY 2021	NA	NA	NA	NA	NA	NA	NA	NA
FY 2022	NA	NA	NA	NA	NA	NA	NA	NA
PRECEDING SIX COMPLETED CALENDAR MONTHS								
July 2022	NA	NA	NA	NA	NA	NA	NA	NA
August 2022 ⁽⁴⁾	1,123.05	August 24, 2022	59,339	909.70	August 29, 2022	42,418	986.50	1,90,020
September 2022	949.05	September 01, 2022	29,888	721.55	September 30, 2022	60,450	854.68	9,29,885
October 2022	914.45	October 11, 2022	83,785	660.15	October 31, 2022	1,84,824	818.61	12,07,616
November 2022	743.90	November 28, 2022	71,930	640.85	November 23, 2022	6,833	679.78	4,12,769
December 2022	798.00	December 02, 2022	58,257	638.00	December 26, 2022	15,250	711.38	3,46,125

Source: www.nseindia.com

Note:

⁽¹⁾ High of daily high prices.

⁽²⁾ Low of daily low prices.

⁽³⁾ Average of the daily closing price

⁽⁴⁾ The Equity Shares of the Company were listed on NSE with effect from August 24, 2022.

⁽⁵⁾ In case of two days with the same price, the date with the higher volume has been chosen.

16.3. The closing market price of the Equity Shares of the Company

Event	Date	BSE (in ₹)	NSE (in ₹)
1 (one) trading day prior to the prior intimation of convening the Board Meeting	January 20, 2023	666.35	667.75
Date of prior intimation regarding convening of Board Meeting to consider the proposal of the Buyback i.e. January 21, 2023*	January 20, 2023*	666.35	667.75
On the trading day before January 28, 2023 being the date of Board Meeting approving the Buyback.	January 27, 2023	708.60	706.40
The date of Board Meeting approving the Buyback i.e. January 28, 2023**	January 27, 2023**	708.60	706.40
The trading day immediately after January 28, 2023, being the date of Board Meeting approving the Buyback	January 30, 2023	694.05	692.60

Note: *Since the intimation of Board Meeting was sent on Saturday, the closing market price of the Equity Shares on NSE and BSE as on one day prior to the date of intimation of Board Meeting sent has been taken.

** Since the Board Meeting was held on Saturday, the closing market price of the Equity Shares on NSE and BSE as on one day prior to the date of the Board Meeting has been taken.

17. DETAILS OF THE STATUTORY APPROVALS

17.1. The Buyback will be subject to such necessary approvals as may be required under the applicable laws including from SEBI and/or Stock Exchanges, and the Buyback from Non-Resident Shareholders, erstwhile overseas corporate bodies and other applicable categories will be subject to such approvals of the RBI, if any, under FEMA and/or such other applicable rules and regulations in force for the time being.

- 17.2.** The Buyback from each Eligible Shareholder is subject to all statutory consents and approvals as may be required by such Eligible Shareholder under applicable laws and regulations. The Eligible Shareholder shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approval from the RBI, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. An Eligible Shareholder would be required to provide copies of all such consents and approvals obtained by them to the Registrar to the Buyback. The Buyback of Equity Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI under FEMA, as applicable. It is the obligation of such Non-Resident Shareholders, to obtain such approvals and submit such approvals along with the Tender Form, so as to enable them to tender Equity Shares in the Buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- 17.3.** By participating in the Buyback, the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting(s), if required, including the form FC-TRS, if necessary and such Non-Resident Shareholders undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- 17.4.** As of date of this Draft Letter of Offer, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to Stock Exchanges.
- 17.5.** The Buyback has been approved by the Board in their meeting held on January 28, 2023.

18. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT

A. General

- 18.1.** The Buyback is open to all eligible shareholders, *i.e.*, the shareholders/beneficial owners who hold Equity Shares either in physical form (“**Physical Shares**”) or in dematerialized form (“**Demat Shares**”) (such shareholders are referred as the “**Eligible Shareholders**”) as on the Record Date. Additionally, the Buyback shall, subject to applicable laws, to be facilitated by tendering of Equity Shares by the shareholders and settlement of the same, through the stock exchange mechanism as specified in the SEBI Circulars.
- 18.2.** The Company proposes to effect the Buyback through the Tender Offer process on a proportionate basis. The Letter of Offer, Tender Form and SH-4 (SH-4 only to those Eligible Shareholders holding Equity Shares in physical form), will be sent to all the Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date, as per the SEBI Buyback Regulations and such other circulars or notifications, as may be applicable.
- 18.3.** The Eligible Shareholders, who have registered their email IDs with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. On receipt of a request by the Registrar from any shareholder to receive a copy of the Letter of Offer in physical form, the same shall be provided. The Eligible Shareholders who have not registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in section 18.32 below.
- 18.4.** An unregistered shareholder, holding equity shares in physical form may also tender his equity shares for buyback by submitting the duly executed SH-4 for transfer of shares, purchased prior to Record Date, in his name, along with the offer form, certified copy of his PAN card and of the person from whom he has purchased equity shares and other relevant documents as required for transfer, if any. For further details please refer to section 18.28 of this Draft Letter of Offer.
- 18.5.** The Eligible Shareholder’s participation in the Buyback will be voluntary. The Eligible Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post-

Buyback, without additional investment. The Eligible Shareholders may also tender a part of their Buyback Entitlement. The Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder, shall be in terms of procedure outlined in section 20 (*Process and Methodology for the Buyback*) this Draft Letter of Offer.

- 18.6. The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court/ any other competent authority for transfer/disposal/sale of such Equity Shares or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or is otherwise not clear and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or where any other restraint subsists or otherwise.
- 18.7. The Company shall comply with Regulation 24(v) of the SEBI Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- 18.8. The Company shall accept Equity Shares offered by the duly authorized persons on behalf of Eligible Shareholders including executor / trustee of the trust, partner of the firm, Karta of the HUF, constituted attorney, subject to receipt of certified copies of the relevant documents, as required by the Registrar.
- 18.9. Eligible Shareholders will have to transfer the Equity Shares from the same demat account, in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account, to the special account of Indian Clearing Corporation Limited. In case of any changes in the demat account in which the Demat Shares were held (as on Record Date), such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback, and such tendered Demat Shares may be Accepted subject to appropriate verification and validation by the Registrar. The Board or the Buyback Committee authorised by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
- 18.10. The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Shareholders will be accepted as per sections 20.7, 20.8, 20.9, and 20.10.
- 18.11. As elaborated under section 20.6, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories; (a) Reserved category for Small Shareholders and (b) the General category for Eligible Shareholders other than Small Shareholders and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 18.12. Post Acceptance of the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 18.13. The Buyback shall be implemented using the “*Mechanism for acquisition of share through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting*” notified by SEBI vide circulars CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 (“**SEBI Circulars**”) and such other circulars or notifications as may be applicable and the Company shall approach BSE and in accordance with the procedure prescribed in the Act and the SEBI Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 18.14. For implementation of the Buyback, the Company has appointed Master Capital Services Limited, as the registered broker to the Company (“**Company’s Broker**”) through whom the purchases and settlement on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:



Master Capital Services Limited

SCO 22-23, Sector 9D, Madhya Marg, Chandigarh -160 009;

Tel. No.: +91 172 484 8000;

Contact Person: Mr. Ajay Sharma;

Email: ajaysharma@mastertrust.co.in;

Website: www.mastertrust.co.in;

SEBI Registration No: INZ000210539;

CIN: U67190HR1994PLC076366.

- 18.15.** The Company shall approach BSE being the designated stock exchange (“**Designated Stock Exchange**”) to provide a separate window (“**Acquisition Window**”) to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Seller Member**”).
- 18.16.** The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 18.17.** At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through Company’s Broker.
- 18.18.** In the event the Eligible Shareholders’ registered stock broker (“**Seller Member(s)**”) is not registered with BSE as a trading member/ stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register themselves by using quick unique client code (“**UCC**”) facility through the registered stock broker (after submitting all details as may be required by such registered stock broker in compliance with applicable law). In case the Eligible Shareholders are unable to register using UCC facility through any other registered broker, Eligible Shareholders may approach Company’s Broker *i.e.*, Master Capital Services Limited to place their bids, subject to completion of KYC requirements as required by the Company’s Broker. The Eligible Shareholder approaching BSE registered stock broker (with whom the Eligible Shareholder does not have an account) may have to submit following details:

In case of Eligible Shareholder being an individual

If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):

Forms required:

- Central Know Your Client (CKYC) form
- Know Your Client (KYC) form

Documents required (all documents self-attested):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA:

Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form

Documents required (all documents self-attested):

- PAN card copy
- Address proof
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Shareholder is HUF:

If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):

Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form

Documents required (all documents self-attested):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA:

Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form

Documents required (all documents self-attested):

- PAN card copy of HUF & KARTA
- Address proof of HUF & KARTA
- HUF declaration
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

All above documents need to be signed by the Karta. It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Shareholder other than Individual and HUF:

If Eligible Shareholder is KRA registered:

Form required

- Know Your Client (KYC) form

Documents required (all documents certified true copy)

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Eligible Shareholder is not KRA registered:

Forms required:

- KRA form
- Know Your Client (KYC) form

Documents required (all documents certified true copy):

- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)

- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

All above documents need to be signed and certified by the authorised person(s). It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- 18.19.** The Eligible Shareholder approaching the Designated Stock Exchange registered stock broker (with whom he does not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker.
- 18.20.** During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Seller Members during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders. Seller members can enter orders for Demat Shares as well as physical shares.
- 18.21.** The Buyback from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt / provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the RBI under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.
- 18.22.** The reporting requirements for non-resident shareholders under RBI, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholders and/or the Seller Member
- 18.23.** Modification/ cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback. Multiple bids made by single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- 18.24.** The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.
- 18.25.** All Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
- (a) Duly attested power of attorney, if any person other than the Eligible shareholder has signed the Tender Form;
 - (b) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
 - (c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).
- 18.26.** All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

18.27. Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form

- (i) Eligible Shareholders who desire to tender their Equity Shares held by them in dematerialized form under the Buyback would have to do so through their respective Seller Member by indicating to the concerned Seller Member, the details of Equity Shares they intend to tender under the Buyback.
- (ii) The Seller Member would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the order/bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited, by using the early pay-in mechanism as prescribed by the Designated Stock Exchange or the Clearing Corporation prior to placing the bid by the Seller Member.
- (iii) The details of the special account of the Clearing Corporation and the settlement number shall be informed in the issue opening circular that will be issued by Designated Stock Exchange and/or Clearing Corporation.
- (iv) The lien shall be marked in the demat account of the Eligible Shareholders for the Equity Shares tendered in the Buyback. The details of Equity Shares marked as lien in the demat account of the Eligible Shareholders shall be provided by the depositories to the Clearing Corporation.
- (v) In case, the demat account of the Eligible Shareholders is held in one depository and clearing member pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Buyback shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer (“**IDT**”) instructions shall be initiated by shareholders at source depository to clearing member pool/ Clearing Corporation account at target depository. Source depository shall block the shareholder’s securities (*i.e.*, transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target depository to the Clearing Corporation.
- (vi) For custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodian participant. The custodian participant shall either confirm or reject the orders not later than closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- (vii) Upon placing the order, the Seller Member shall provide transaction registration slip (“**TRS**”) generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of order submitted such as bid ID number, application number, Depository Participant ID, client ID, number of Equity Shares tendered etc.
- (viii) Eligible Shareholders who have tendered their Equity Shares in the Buyback can ‘hand deliver’ Tender Form duly signed (by all Eligible Shareholders in case Equity Shares are in joint names) in same order in which they hold the Equity Shares, along with the TRS generated by the exchange bidding system at the office (mentioned in section 19.1 of this Draft Letter of Offer) of Registrar to the Buyback. TRS will be generated by the respective Seller Members. Eligible Shareholders who cannot hand deliver the Tender Form and other documents at the office of Registrar to the Buyback, may send the same by registered post, speed post, courier at their own risk, superscribing the envelope as “**Sportking India Limited - Buyback Offer 2023**”, to the Registrar to the Buyback at their office mentioned on the cover page of this DLOF, so that the same are received not later than 2 (two) days from the Buyback Closing Date (by 05:00 p.m.). One copy of TRS will be retained by the Registrar and it will provide acknowledgment of the same to the Eligible Shareholder. It is clarified that in case of dematerialized Equity Shares, submission of the Tender Form and TRS is not mandatory.
- (ix) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted.

- (x) The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Further, Eligible Shareholders will have to ensure that they keep the savings bank, account attached to the DP account, active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.
- (xi) Excess dematerialized Equity Shares or unaccepted dematerialized Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's (Seller Member's) depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess dematerialized Shares or unaccepted dematerialized Shares, if any, will be returned to the respective custodian depository pool account.
- (xii) Eligible Shareholders who have tendered their Demat Shares in the Buyback shall also provide all relevant documents, which are necessary to ensure transferability of the Demat Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to): (i) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form; (ii) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder is deceased, or court approved scheme of merger/ amalgamation for a company; and (iii) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- (xiii) The Buyback from the Eligible Shareholders who are residents outside India including non-resident Indians, foreign nationals, foreign corporate bodies (including erstwhile overseas corporate bodies), foreign institutional investors/ foreign portfolio investors, shall be subject to such approvals, if any and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such Non-Resident Shareholders.

18.28. Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in physical form

The acceptance of tendered shares be undertaken before the Physical Transfer Cut-off Date the procedure for tendering to be followed by Eligible Shareholders holding Equity Shares in the physical form is as detailed below.

- (i) In accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in buyback through tender offer route. However, such tendering shall be as per the provisions of the SEBI Buyback Regulations.
- (ii) Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including the (i) completed tender form and original share certificate(s), (ii) valid Form SH-4 (transfer form) duly filled and signed by the Eligible Shareholder (in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- (iii) Based on these documents, the concerned Seller Member shall place a bid on behalf of the Eligible Shareholders holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio number, certificate number, distinctive number, number of Equity Shares tendered etc.

- (iv) Any Seller Member/ Eligible Shareholder who places a bid for physical Equity Shares, is required to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post, courier or hand delivery to the Registrar to the Buyback *i.e.* Beetal Financial & Computer Services Private Limited (at the address mentioned at section 19) not later than 2 (two) days from the offer closing date. The envelope should be superscribed as “**Sportking India Limited - Buyback Offer 2023**”. One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/Eligible Shareholder.
- (v) Eligible Shareholders holding Equity Shares in physical form should note that such physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares held in physical form in the Buyback shall be subject to verification as per the SEBI Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Designated Stock Exchange shall display such bids as ‘unconfirmed physical bids’. Once the Registrar confirms the bids, it will be treated as ‘confirmed bids’.
- (vi) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholder should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before the closure of the tendering period of the Buyback.

18.29. Modification/cancellation of bids will be allowed during the tendering period of the Buyback.

18.30. The cumulative quantity of Equity Shares tendered shall be made available on the website of the Designated Stock Exchange, *i.e.* www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

18.31. For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (Read with section 17 “Details of the Statutory Approvals”):

- (i) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- (ii) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- (iii) In case the Equity Shares are held on repatriation basis, the Eligible Shareholders who are Non-Resident Shareholders shall obtain and enclose a letter from its authorized dealer/ bank confirming that at the time of acquiring the Equity Shares, payment for the same was made by such non-resident Eligible Shareholder from the appropriate account (*e.g.* NRE *a/c.*) as specified by RBI in its approval. In case the Eligible Shareholders who are Non-Resident Shareholders is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback *i.e.* by way of credit to a non-repatriation bank account or issuance of Rupees demand draft. In the event, such consent letter is not submitted by such non-resident Eligible Shareholder, the Company shall have the right to reject the Equity Shares tendered in the Buyback and acceptance of such Equity Shares shall be at the sole discretion of the Company subject to such conditions as the Company may deem fit including making payment for the same on a non-repatriation basis.
- (iv) If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected.

- (v) THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY. PLEASE NOTE THAT THE COMPANY SHALL ACCEPT EQUITY SHARES VALIDLY TENDERED FOR THE BUYBACK OFFER ON THE BASIS OF THEIR HOLDING AND ENTITLEMENT AS APPEARING IN THE RECORDS OF THE COMPANY AS ON THE RECORD DATE.

18.32. In case of non-receipt of the Letter of Offer:

- (i) **In case the Equity Shares are in dematerialized form:** An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company *i.e.* www.sportking.co.in or by providing their application in writing on plain paper, signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name), stating name and address of Eligible Shareholders, number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback and the same should reach the collection centers not later than 2 (two) days from the Buyback Closing Date (by 05:00 p.m.). For further process, please refer to section 18.27 titled “*Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form*” of this Draft Letter of Offer. However, in case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted.
- (ii) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company *i.e.* www.sportking.co.in or by providing their application in writing on plain paper signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account details together with the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed Form SH-4 in favor of the Company. The transfer Form SH-4 can be downloaded from the Company’s website www.sportking.co.in. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in section 18.28(ii) above), reach the collection centers not later than 2 (two) days from the Buyback Closing Date (by 05:00 p.m.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar / Company or are not in the same order (although attested), the Company / Registrar shall have a right to reject such applications. For further process, please refer to section 18.28 titled “*Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in physical form*” of this Draft Letter of Offer.
- (vi) Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way.
- (vii) The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- (viii) The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member in the electronic platform to be made available by BSE before the Buyback Closing Date.

The Company shall accept Equity Shares validly tendered by the Equity Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the ‘Plain paper’ option as

mentioned in this section are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.

18.33. Acceptance of orders

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

18.34. Method of Settlement

Upon finalization of the basis of acceptance as per SEBI Buyback Regulations and in terms of this DLOF:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- (ii) The Company will pay the consideration to the Company's Broker which will transfer the consideration pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If any Eligible Shareholder's bank account details are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' for onward transfer to such Eligible Shareholder.
- (iii) In case of certain types of Eligible Shareholders' viz. non-resident Indians, foreign clients etc. (where there are specific Reserve Bank of India ("RBI") and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Seller Member's settlement account for releasing the same to their respective Eligible Shareholder's account onward. For this purpose, the client type details would be collected from the Registrar to the Buyback whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchange and the Clearing Corporation from time to time. In case of deals confirmed by custodian, the settlement will be released to custodian's settlement account.
- (iv) Eligible Shareholder will have to ensure that they keep their depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non/partial acceptance of Equity Shares under the Buyback.
- (v) Any Excess Equity Shares or unaccepted Equity Shares, in dematerialized form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to such Eligible Shareholder. In case of custodian participant orders, excess dematerialized Shares or unaccepted dematerialized Shares, if any, will be returned to the respective custodian participant.
- (vi) In the case of inter Depository, Clearing Corporation will cancel the excess or unaccepted shares in target Depository. Source Depository will not be able to release the lien without a release of IDT message from target Depository. Further, release of IDT message shall be sent by target Depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with bid accepted detail as received from the Company or the Registrar to the Buyback. Post receiving the IDT message from target Depository, source Depository will cancel/release excess or unaccepted block shares in the demat account of the shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source Depository shall debit the securities as per the communication/message received from target Depository to the extent of accepted bid shares from shareholder's demat account and credit it to Clearing Corporation settlement account in target Depository on settlement date.
- (vii) Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/rejection will be returned to the Eligible Shareholders directly by the Registrar of the Company. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares

tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form. The Company will issue a new consolidated share certificate for all the unaccepted and excess Equity Shares in physical form and return the same to the sole/first shareholder (in case of joint shareholders).

- (viii) The Seller Member would issue contract note to the respective Eligible Shareholder for the Equity Shares accepted under the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (ix) The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buyback ("**Company Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- (x) Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Eligible Shareholders for placing the order to sell the Equity Shares on behalf of the Eligible. The Buyback consideration received by the Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company and the Manager to the Buyback accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.
- (xi) The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the SEBI Buyback Regulations.

18.35. Settlement of Funds/ Payment Consideration

The settlements of fund obligation for dematerialized and physical Equity Shares shall be effected as per the SEBI circulars and as prescribed by the Stock Exchange and Clearing Corporation from time to time. For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in dematerialized form will receive funds payout in the Shareholder's bank account as provided by the Depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Seller Member as per secondary market pay out mechanism. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/ Bank, due to any issue then such funds will be transferred to the concerned Seller Members' settlement bank account for onward transfer to their respective Eligible Shareholders.

18.36. Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- (i) the Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or
- (ii) if there is a name mismatch in the dematerialized account of the Shareholder and PAN.
- (iii) in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding Physical Shares as on the Record Date and have placed their bid in demat form; or
- (iv) Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

For Eligible Shareholders holding Equity Shares in the physical form if:

- (i) The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar not later than 2 (two) days from the Buyback Closing Date *i.e.* on or before the close of business hours on [●] by 05:00 p.m.;
- (ii) If the share certificate of the Company is not enclosed with the Tender Form;

- (iii) If the transfer/transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- (iv) In the event the signature in the Tender Form and / or Form SH-4 do not match as per the specimen signature recorded with Company or Registrar;
- (v) If there is any other company share certificate are enclosed with the Tender Form instead of the share certificate of the Company;
- (vi) If the Share Transfer Form – SH4 is not witnessed;
- (vii) Where there exist any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity shares is under dispute of otherwise not clear or where any other restraint subsists.
- (viii) If the PAN cards (self-attested) of the shareholder and all the joint holders, are not submitted with the form

19. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRE

19.1. REGISTRAR TO THE BUYBACK

Eligible shareholders are required to send Tender Form along with the other requisite document(s), as mentioned in section “*Procedure for Tendering Equity Shares And Settlement*” of this Draft Letter of Offer along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback, so that the same are received not later than 2 (two) days of Buyback Closing Date ([●]) by 5:00 p.m. The envelope should be super scribed as “**Sportking India Limited – Buyback Offer 2023**”. The Company has appointed Beetal Financial & Computer Services Private Limited as the Registrar to the Buyback and in case of any query, the shareholders may contact the Registrar to the Buyback on any day, except Saturday, Sunday and public holidays between 10.00 a.m. to 05.00 p.m. at the following address:

BEETAL

Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi – 110 062;

Contact Person: Mr. Punit Mittal;

Tel. No.: +91 11 2996 1281; **Fax:** +91 11 2996 1284;

Email: beetalrta@gmail.com ;

Website: www.beetalfinancial.com ;

SEBI Registration Number: INR000000262;

Validity: Permanent Registration;

CIN: U67120DL1993PTC052486.

TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

19.2. COLLECTION CENTRE

Eligible Shareholders are required to send Tender Form along with the other requisite document(s) along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post, courier or hand delivery to the Registrar to the Buyback at the address under section 19.1 above, so that the same are received not later than 2 (two) days of Buyback Closing Date by 05:00 p.m. The envelope should be superscribed as “**Sportking India Limited- Buyback Offer 2023**”.

20. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 20.1.** The Company proposes to Buyback up to 5,80,000 (Five Lakh Eighty Thousand) fully paid-up equity shares of face value of ₹ 10/- each of the Company (representing 4.37% of the total number of equity shares in the existing total paid-up equity capital and total number of equity shares in the paid-up equity share capital as

per the latest audited financial statements of the company for the financial year ended March 31, 2022 of the Company) from the Eligible Shareholders, on a proportionate basis, through the Tender offer route using stock exchange mechanism at a price of ₹ 950/- (Rupees Nine Hundred Fifty only) per equity share (including a premium of ₹ 940/- per equity share) payable in cash for a maximum aggregate amount of up to ₹ 55,10,00,000/- (Rupees Fifty Five Crore Ten Lakh only) (excluding Company's Transaction Cost), which is 8.01% of the total paid-up equity share capital and free reserves as per the latest audited financials of the Company for the financial year ended March 31, 2022 and is within the statutory limits of 10% of the total paid-up equity share capital and free reserves as per the audited financial statements for the financial year ended 31st March 2022 of the Company under the Board Approval route, as provided under the proviso to Section 68(2)(b) of the Companies Act, 2013.

- 20.2.** The Buyback is in accordance with the provisions contained in Article 40 of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, as amended from time to time (“**Companies Act**”), the Companies (Share Capital and Debentures) Rules, 2014 (“**Share Capital Rules**”), the Companies (Management and Administration) Rules, 2014, (“**Management Rules**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Buyback is subject to receipt of such approvals, permissions, consents, sanctions and exemptions of the statutory, regulatory or governmental authorities, as may be required under the applicable laws including from the RBI, SEBI, and/ or the Stock Exchanges.
- 20.3.** The Company express no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in Buyback.
- 20.4.** The aggregate shareholding of the Promoter and Promoter Group as at the date of the Public Announcement is 98,52,048 represents 74.15% of the total number of outstanding Equity Shares of the Company. In terms of the SEBI Buyback Regulations, under the ‘Tender offer’, the Promoter and Promoter Group of the Company have an option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letter dated January 28, 2023 to participate in the Buyback and tender up to an aggregate maximum number of 85,66,048 Equity Shares.
- 20.5.** Assuming response to the Buyback is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group of the Company post the Buyback will be [●] Equity Shares representing [●]% of the total number of outstanding Equity Shares of the Company.
- 20.6. Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**
- (i) As required under the SEBI Buyback Regulations, the Company has fixed Friday, February 10, 2023 as the Record Date for the purpose of determining the Entitlement and the names of the Eligible Shareholders of Equity Shares who are eligible to participate in the Buyback.
 - (ii) In due course, Eligible Shareholders will receive a Letter of Offer along with a tender form indicating the entitlement for participating in the Buyback.
 - (iii) The Equity Shares to be bought back as a part of this Buyback are divided into two categories and the entitlement of a shareholder in each category shall be calculated accordingly:
 - (a) Reserved category for Small Shareholders (“**Reserved Category**”); and
 - (b) General category for Eligible Shareholders other than the Small Shareholders (“**General Category**”).
 - (iv) As defined in the SEBI Buyback Regulations, ‘Small Shareholder’ includes a shareholder, who holds Equity Shares of the Company, as on the Record Date, whose market value, on the basis of closing price on BSE or NSE, as on Record Date, is not more than ₹ 2,00,000/- (Rupees Two Lakh Only). As on the Record Date, the volume of Equity Shares traded on BSE was [●] Equity shares and on NSE was [●] Equity Shares. Accordingly, [●] being the stock exchange with highest trading volume, the closing price was ₹ [●] and hence all Eligible Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback.

- (v) Based on the above definition, there are [●] Small Shareholders in the Company with aggregate shareholding of [●] Equity Shares as on the Record Date, which constitutes [●]% of the total number of outstanding Equity Shares of the Company and [●]% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buyback.
- (vi) In accordance with Regulation 6 of the SEBI Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback *i.e.* 15% of [●] ([●]) Equity Shares which works out to [●] ([●]) Equity Shares; or
 - The number of Equity Shares entitled as per their shareholding as on Record Date [*i.e.* ([●] / [●]) * [●]] Equity Shares which works out to [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group also intend to offer Equity Shares held by them in the Buyback.

- (vii) Based on the above and in accordance with proviso to Regulation 6 of the SEBI Buyback Regulations, [●] Equity Shares have been reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.

(viii) Clubbing of Entitlements

In order to ensure that the same Eligible Shareholders with multiple dematerialized accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common PAN shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ subaccounts and have a different dematerialization account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

- (ix) Based on the above Buyback Entitlement, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved Category for Small Shareholders	[●] Equity Shares out of every [●] Equity Shares held on the Record Date.
General Category Eligible Shareholders other than Small Shareholders	[●] Equity Shares out of every [●] Equity Shares held on the Record Date.

The above ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is [●]% and General Category for all other than eligible Shareholders is [●].

20.7. Fractional Entitlements:

If the Buyback Entitlement under the Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (*i.e.* not in the multiple of 1 (One) Equity Share), then

the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares. The Company shall make best efforts subject to SEBI Buyback Regulations in accepting Equity Shares tendered by such Shareholders to the extent possible and permissible.

20.8. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in this DLOF, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- (ii) Post acceptance as described in section 20.8 (i) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and 1 (one) share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- (iii) Post acceptance as described in section 20.8 (i) and (ii) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the SEBI Buyback Regulations, *i.e.* valid acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with section 20.8 (ii) above, shall be reduced by 1 (one).
- (iv) Adjustment for fractional results in case of proportionate Acceptance, as described in section 20.8 (iii) above:
 - (a) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (b) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

20.9. Basis of Acceptance of Shares validly tendered in the General Category:

Subject to the provisions contained in the DLOF, the Company will accept the Equity Shares tendered in the Buyback by Eligible Shareholders other than Small Shareholders in the General Category in the following order of priority:

- (i) Acceptance of 100% Equity Shares from Eligible Shareholders other than Small Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.

- (ii) Post Acceptance as described in section 20.9 (i) above, in case there are any Equity Shares left to be bought back in the General Category, then the Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the SEBI Buyback Regulations, *i.e.* valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.
- (iii) Adjustment for fractional results in case of proportionate acceptance as described in section 20.9 (ii) above:
 - (a) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (b) For any Eligible Shareholder if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

20.10. Basis of Acceptance of Equity Shares between Categories:

- (i) In case there are any Equity Shares left to be bought back in one category (“**Partially filled Category**”) after acceptance in accordance with the above described methodology (section 20.8 and 20.9) for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be accepted proportionately *i.e.* valid acceptances per Eligible Shareholder shall be equal to the Additional outstanding Equity Shares validly tendered by an Eligible Shareholder in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially filled Category.
- (ii) If the Partially filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with section 20.8 (i) shall be reduced by 1 (one).
- (iii) Adjustment for fraction results in case of proportionate Acceptance, as defined in section 20.10 (i) and (ii) above:
 - (a) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (b) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

20.11. For avoidance of doubt, it is clarified that:

- (i) The Equity Shares accepted under the Buyback from each Eligible Shareholder, in accordance with sections above, shall not exceed the number of Equity Shares, tendered by the respective Eligible Shareholder or held by respective Eligible Shareholder as on the Record Date;
- (ii) The Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of acceptance in accordance with the sections above; and
- (iii) In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity

Shares after allocation of Equity Shares as set out in the process described in this section 20 of this Draft Letter of Offer.

21. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS ON THESE TAX CONSIDERATIONS.

IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGES SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. GENERAL

The Indian tax year runs from April 1 to March 31 of subsequent year. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act, 1961 (“**ITA**”).

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. Vide Finance Act, 2020, certain non-resident individuals are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or professional controlled in India.

In case of shares of a company, the source of income from shares would depend on the “situs” of the shares. As per ITA and Judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the Double Taxation Avoidance Agreement (“**DTAA**”), as modified by the Multilateral Instrument (MLI), if the same is applicable to the relevant DTAA between India and the respective country of which the said shareholder is tax resident. The above benefit may be available subject to satisfying relevant conditions prescribed under ITA including but not limited to availability of Tax Residency Certificate, non-applicability of General Anti-Avoidance Rule (“**GAAR**”) and providing and maintaining necessary information and documents as prescribed under ITA as well as satisfying the relevant conditions under the respective DTAA including anti-abuse measures under the MLI, if applicable.

2. CLASSIFICATION OF SHAREHOLDERS

Section 6 of the ITA, determines the residential status of an assessee. Accordingly, shareholders can be classified broadly as below categories:

A) Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP
- Others (Corporate bodies):
 - Company
 - Other than Company

B) Deemed Resident Shareholder: an individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding ₹ 15 Lakh during the tax year.

C) Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:
 - Company
 - Other than Company

3. TAXATION OF BUYBACK OF SHARES

Section 115QA of the ITA introduced w.e.f. June 01, 2013 contains provisions for taxation of a domestic company in respect of buyback of shares (within the meaning of Section 68 of the Companies Act, 2013). In effect, the incidence of tax stands shifted completely to the Company and not the recipient of the buyback proceeds.

Before the enactment of Finance Act (No 2), 2019, this section was not applicable to shares listed on a recognized stock exchange. The Finance Act (No 2), 2019 has amended section 115QA of the ITA with effect from July 05, 2019 extending its provisions to cover distributed income on buyback of Equity Shares of a company listed on a recognized stock exchange as well.

As per Section 115QA, listed companies making a public announcement of Buyback of shares on or after July 05, 2019 are required to pay an additional Tax @ 20%, plus Surcharge @ 12%, plus Health & Education Cess @4% on the Distributed Income.

Distributed Income is defined under section 115QA to include consideration paid by the company on buyback of Shares as reduced by the amount which was received by the company on issue of such shares, determined in the manner specified in Rule 40BB.

The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit thereof shall be claimed by the company or by any other person in respect of the amount of tax so paid.

No deduction under any other provision of this Act shall be allowed to the company or a shareholder in respect of the income which has been charged to tax.

Section 10(34A) of the ITA provided for exemption to a shareholder in respect of income arising from buyback of shares w.e.f. April 01, 2014 (*i.e.*, Assessment year 2014-15). The Finance Act (No. 2), 2019 has also made consequential changes to section 10(34A) of the ITA extending the benefit of exemption of income from buyback to shareholders in respect of shares listed on recognized stock exchange as well.

Thus, the tax implications to the following categories of shareholders are as under:

a. Resident Shareholders or Deemed Resident Shareholders

Income arising to the shareholder on account of buyback of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) of the ITA with effect from July 05, 2019.

b. Non-Resident Shareholders

While the income arising to the shareholder on account of buyback of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 05, 2019 in the hands of a Non-resident as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such non-resident shareholder to be claimed in the country of residence in respect of the buyback tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

4. TAX DEDUCTION AT SOURCE (TDS)

Currently, there are no provisions for tax deduction at source in respect of income earned from transfer / buyback of shares in case of resident shareholders / deemed resident shareholders.

Further, given that income arising on account of the buyback of shares is exempt from tax under Section 10(34A) of ITA, the same would not be subject to tax deduction at source for non-resident shareholders.

5. SECURITIES TRANSACTION TAX

Since the Buyback of shares shall take place through the settlement mechanism of the stock exchange, securities transaction tax at 0.1% of the value of the transaction will be applicable.

THE SUMMARY OF THE TAX CONSIDERATIONS AS ABOVE IS BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS.

IN VIEW OF THE SPECIFIC NATURE OF TAX CONSEQUENCES, SHAREHOLDERS WHO ARE NOT TAX RESIDENTS OF INDIA ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE CONSIDERING THE PROVISIONS OF THE RELEVANT COUNTRY OR STATE TAX LAW AND PROVISIONS OF DTAA WHERE APPLICABLE.

22. DECLARATION BY THE BOARD OF DIRECTORS

As required under clause (ix) and clause (x) of Schedule I to the SEBI Buyback Regulations, the Board of Directors made declaration as on the date of passing the board resolution approving the Buyback *i.e.* January 28, 2023:

1. no defaults have been made or subsisting in the repayment of deposits accepted or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
2. it has made a full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company has formed an opinion that:

- a) immediately following the date of the Board Meeting held on January 28, 2023 there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards the Company's prospects for the year immediately following the date of the Board Meeting approving the Buyback, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback.
- c) in forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act 2013 and the Insolvency and Bankruptcy Code, 2016, including prospective and contingent liabilities.

This declaration is made and issued by the Board of Directors in terms of the resolution passed at its meeting held on January 28, 2023.

For and on behalf of the Board of Directors of **Sportking India Limited**,

Sd/-
Munish Avasthi
Chairman and Managing Director
DIN: 00442425

Sd/-
Naresh Kumar Jain
Executive Director
DIN: 00254045

23. AUDITORS CERTIFICATE

The text of the report dated January 28, 2023 received from, M/s SCV & Co, LLP Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced as under:

Quote

To,
The Board of Directors
Sportking India Limited
Village Kanech, Near Sahnawal,
G.T. Road, Ludhiana – 141120

Dear Sirs,

Sub.: Statutory Auditors' Report in respect of proposed buyback of equity shares by Sportking India Limited ("Company") in terms of clause (xi) of Schedule I of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("Buyback Regulations").

This report is issued in accordance with the terms of our engagement letter dated January 23, 2023. The Board of Directors of the Company have approved a proposed buyback of equity shares by the Company at its meeting held on January 28, 2023, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("**Act**") and the Buyback Regulations.

The accompanying statement of permissible capital payment ("**Annexure A**") based on the audited financial statements as at and for the year ended March 31, 2022 (hereinafter referred together as the "**Statement**") is prepared by the Management, which we have initialed for identification purposes only.

Board of Directors Responsibility

The Board of Directors of the Company is responsible for the following:

- i. The amount of the permissible capital payment for the securities in question is properly determined;

- ii. It has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the buyback (“**Board Meeting**”); and
- iii. A declaration is signed by at least two directors of the Company, that the Board of Directors has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date of Board Meeting and in forming the opinion, it has taken into account the liabilities as if the Company were being wound up under the provisions of the Act.

Auditors' Responsibility

1. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide reasonable assurance:
 - (i) whether we have inquired into the state of affairs of the Company in relation to the audited financial statements for the financial year ended March 31, 2022;
 - (ii) if the amount of permissible capital payment as stated in the Statement attached herewith, has been properly determined considering the latest audited financial statements in accordance with Section 68(2)(c) of the Act; and
 - (iii) if the Board of Directors in their meeting dated January 28, 2023, have formed the opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
2. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria. The procedures selected depend on the auditor’s judgment, including the assessment of the risks associated with the Reporting Criteria. Within the scope of our work, we performed the following procedures:
 - a) Examined authorisation for buy back from the Articles of Association of the Company;
 - b) Examined that the amount of capital payment for the buyback as detailed in Annexure A is within the permissible limit computed in accordance with the provisions of Section 68 of the Act and SEBI Buyback Regulations;
 - c) Examined that the ratio of the debt owned by the Company, if any, is not more than twice the capital and its free reserves after such buyback based on audited financial information of the Company for the year ended March 31, 2022;
 - d) Examined that all the shares for buyback are fully paid-up;
 - e) Inquired into the state of affairs of the Company with reference to the audited financial information of the Company for the year ended March 31, 2022 and examined budgets and projections prepared by the Management;
 - f) Traced fair valuation of assets and liabilities valued at fair value from underlying audited books of accounts for the year ended March 31, 2022.
 - g) Examined minutes of the meetings of the Board of Directors for the purposes of buyback;
 - h) Examined Directors’ declarations for the purpose of buyback and solvency of the Company; and
 - i) Obtained appropriate representations from the Management of the Company.
3. The audited financial statements for the year ended March 31, 2022 were audited by us, on which we issued an unmodified audit opinion vide our report dated April 30, 2022. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (“**ICAI**”). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties.
4. We conducted our examination of the Statement in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’, issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on inquiries conducted and our examination as above and according to the information and explanations provided to us by the management of the Company, we report that:

- a. We have inquired into the state of affairs of the Company in relation to its latest audited financial statements for the financial year ended March 31, 2022;
- b. The amount of permissible capital payment towards the proposed buyback of equity shares as computed in the Statement attached herewith is, in our view, properly determined in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the latest audited financial statements of the Company for the financial year ended March 31, 2022; and
- c. The Board of Directors of the Company, in their meeting held on January 28, 2023 have formed their opinion as specified in clause (x) of Schedule I of the Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated January 28, 2023.

Restriction on Use

This report has been issued at the request of the Company solely for use of the Company;

- (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buyback Regulations;
- (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited; and
- (iii) For providing to the manager, for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

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

(Sanjiv Mohan)
Partner
Membership No.: 086066

Place: Ludhiana
Dated: January 28, 2023

Annexure A

Statement of determination of the permissible capital payment towards buyback of equity shares in accordance with Section 68(2)(c) of the Act

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2)(c) of the Companies Act, 2013 ("the Act"), based on audited financial statements for the financial year ended March 31, 2022:

Particulars	Amount (Rs. in Lakhs)
Paid-up equity share Capital as on March 31, 2022 (1,32,87,200 equity shares of Rs. 10/- each) (A)	1328.72
Free Reserves as on March 31, 2022	
Retained Earnings	67175.26
General Reserve	3.00
Total Free Reserve (B)	67178.26
Securities Premium as on March 31, 2022 (C)	259.97
Total (A+B+C)	68766.95

Maximum amount permissible for the buyback under Section 68 of the Act i.e. 25% of total paid up equity share capital and free reserves	17191.74
Maximum amount permissible for buy back under section 68 of the Act, within the powers of the Board of Directors - 10% of total paid-up equity share capital and free reserves	6876.70
Amount approved by the Board of Directors for the buyback in the meeting held on January 28, 2023	5510.00

Note: The impact of taxes and transaction costs related to Buyback of equity shares has not been considered in the above amount.

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

(Sanjiv Mohan)
Partner
Membership No.: 086066

Place: Ludhiana
Dated: January 28, 2023

Unquoted

24. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at Village Kanech, Near Sahnewal, G. T. Road, Ludhiana-141 120, between 10:00 a.m. and 05.00 p.m. on all working days except Saturday, Sunday and public holidays, during the Offer Period:

- (i) Certificate of Incorporation and Certificate of Commencement of Business of the Company;
- (ii) Certified copies of the updated Memorandum and Articles of Association of the Company;
- (iii) Annual reports of the Company for the three financial years viz. March 31, 2022, March 31, 2021 and March 31, 2020 and limited review financials for the nine months period ended December 31, 2022;
- (iv) Copy of resolution passed by the Board of Directors at their meeting held on January 28, 2023 approving the proposal of the Buyback;
- (v) Certificate dated January 28, 2023 received from Mr Sanjiv Mohan (Membership No.: 086066), Partner of M/s. SCV & Co, LLP Chartered Accountants, (Firm Registration No.: 000235N/N500089), the statutory auditors of the Company, in terms of clause (xi) of Schedule I of the SEBI Buyback Regulations;
- (vi) Copy of Declaration of Solvency by the Company and an affidavit verifying the same as per Form SH-9 prescribed under the Companies (Share Capital and Debentures) Rules, 2014;
- (vii) Copy of Public Announcement dated January 30, 2023, published on January 31, 2023;
- (viii) Certificate dated January 28, 2023 received from Mr Sanjiv Mohan (Membership No.: 086066), Partner of M/s SCV & Co, LLP Chartered Accountants (Firm Registration No.: 000235N/N500089), the statutory auditors of the Company, certifying that the Company has made firm financial arrangements for fulfilling its obligations under the Buyback, in accordance with the SEBI Buyback Regulations;
- (ix) Opinion dated January 28, 2023 by Mr Sanjiv Mohan (Membership No.: 086066), Partner of M/s SCV & Co, LLP Chartered Accountants (Firm Registration No.: 000235N/N500089), with respect to Note on Taxation;
- (x) Copy of the Escrow Agreement dated [●] executed amongst the Company, Escrow Agent and the Manager to the Buyback; and
- (xi) Observations from SEBI on DLOF vide letter dated [●] issued in terms of the SEBI Buyback Regulations.

25. DETAILS OF THE COMPLIANCE OFFICER

Shareholders may contact the Compliance Officer of the Company, duly appointed for the purpose of the Buyback, for any clarifications or to address their grievances, if any, during office hours *i.e.* 10:00 a.m. to 05:00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Compliance Officer: Mr. Lovlesh Verma
Address: Village Kanech, Near Sahnewal, GT Road, Ludhiana - 141 120;
Tel. No.: +91 161 2845456 to 60; **Fax No.:** +91 161 2845458;
Email: cs@sportking.co.in; **Website:** www.sportking.co.in

26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

- (i) In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach the compliance officer and/ or Manager to the Buyback and/ or Registrar to the Buyback for redressal.
- (ii) If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013 or any rules made there-under, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013, as the case may be.
- (iii) The address of the concerned office of the Registrar of Companies is as follows:
The Registrar of Companies
Ministry of Corporate Affairs
1st Floor, Corporate Bhawan, Plot No. 4-B,
Sector 27-B, PIN- 160019, Chandigarh.

27. DETAILS OF INVESTOR SERVICE CENTRE AND DETAILS OF REGISTRAR TO THE BUYBACK

In case of any queries, Eligible Shareholders may also contact the Registrar to the Buyback, during office hours *i.e.* 10:00 a.m. to 05:00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Registrar to the Buyback

BEETAL

Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062;

Contact Person: Mr. Punit Mittal;

Tel. No.: +91 11 2996 1281; **Fax:** +91 11 2996 1284;

Email: beetalrta@gmail.com; **Website:** www.beetalfinancial.com;

SEBI Registration Number: INR000000262; **Validity:** Permanent Registration;

CIN: U67120DL1993PTC052486.

28. DETAILS OF THE MANAGER TO THE BUYBACK



Master Capital Services Limited

SCO 22-23, Sector 9D, Madhya Marg, Chandigarh -160 009;

Contact Person: Mr. Jaspal Rawat;

Tel. No.: +91 172 484 8000;

Email: skl.buyback@mastertrust.co.in; **Website:** www.mastertrust.co.in;

SEBI Registration Number: INM000000107; **Validity:** Permanent Registration;

CIN: U67190HR1994PLC076366.

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per Regulation 24(i)(a) of the SEBI Buyback Regulations, the Board of Directors accepts full responsibility for the information contained in this Draft Letter of Offer and for the information contained in all other advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buyback and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on January 28,

2023 and by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on February 7, 2023.

For and on behalf of the Board of Directors of Sportking India Limited

Sd/-	Sd/-	Sd/-
Mr. Munish Avasthi Chairman and Managing Director DIN: 00442425	Mr. Naresh Kumar Jain Executive Director DIN: 00254045	Mr. Lovlesh Verma Company Secretary and Compliance Officer Membership No.: ACS-34171

Date: February 7, 2023

Place: Ludhiana