

# Sportking INDIA LTD.

(Govt. Recognised Three Star Export House)

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

**SIL/2023-24/SE**

**Date: 25.07.2023**

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
<b>Script Code: 539221</b>	<b>Symbol: SPORTKING</b>

**Sub: Investor's Presentation**

Dear Sir,

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find attached herewith copy of Investor's Presentation with respect to Performance of the Company for the quarter ended 30<sup>th</sup> June, 2023.

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

Yours truly,

**For SPORTKING INDIA LIMITED**

Lovlesh Verma  
Digitally signed  
by Lovlesh Verma  
Date: 2023.07.25  
17:25:01 +05'30'

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



Sportking



Investor Presentation - July 2023

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A photograph of several spools of thread. In the foreground, there are two large spools of blue thread, one partially visible on the left and one larger one on the right. In the background, there are several smaller spools of white thread, slightly out of focus. The text 'Q1 FY24 - Financial Performance' is overlaid in the center of the image.

**Q1 FY24 - Financial  
Performance**

DELIVERED STRONG GROWTH WITH SUSTAINED MARGINS

Quarterly Highlights  
Q1 FY24

Revenue from Operations

**Rs. 539 crores**

EBITDA

**Rs. 50 crores**

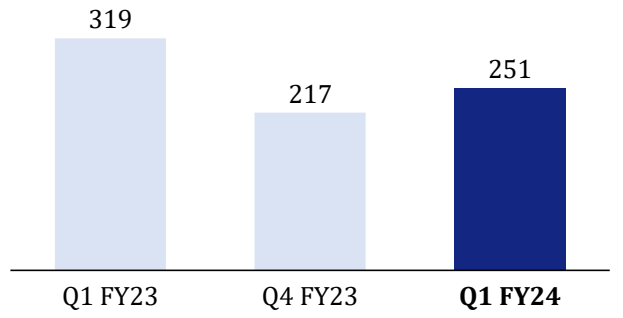
*Margin at 9%*

Profit Before Tax

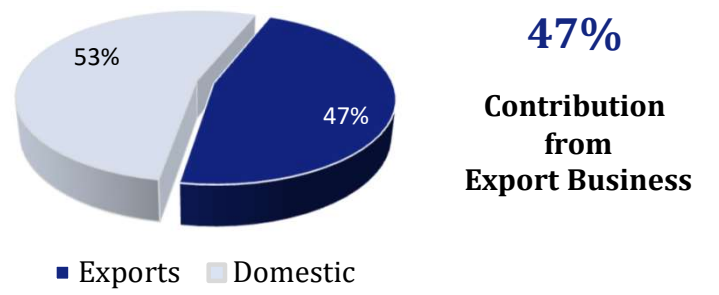
**Rs. 24 crores**

*Margin at 5%*

Revenue from Export Businesses  
(Rs. in crores)



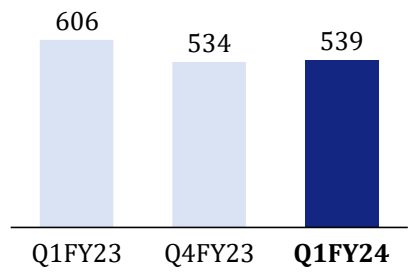
Q1 FY24 Revenue Contribution



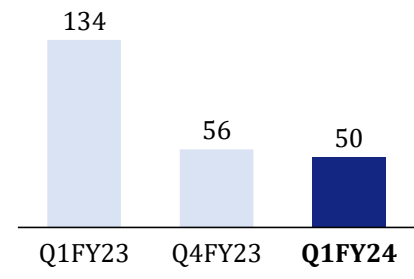
\* Change in Revenue from Operations on a quarterly basis

# Q1 FY24 PERFORMANCE (Y-o-Y & Q-o-Q)

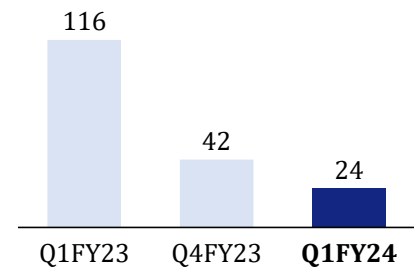
Revenue from Operations (Rs. in Crs)



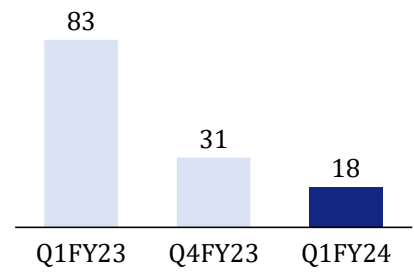
EBIDTA (Rs. in Crs)



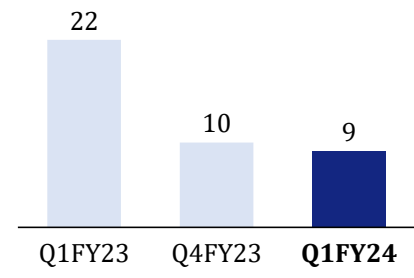
PBT (Rs. in Crs)



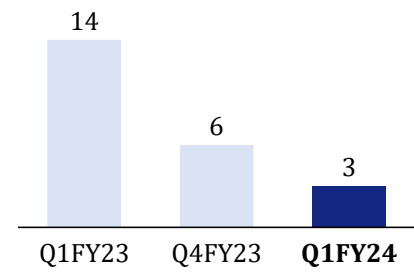
PAT (Rs. in Crs)



EBITDA %



PAT %





# Q1 FY24 PROFIT & LOSS

Profit & Loss statement (Rs. in Crs)	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
<b>Revenue from Operation</b>	539	606	-11%	534	1%
Raw Material Cost	412	390		380	
Purchase of Finished goods	0	0		0	
(Increase) / Decrease In Stocks	-28	-18		0	
Power Cost	37	30		32	
<b>Gross Margin</b>	118	204	-42%	121	-2%
<b>Gross Margin %</b>	22%	34%		23%	
Employee Cost	32	26		31	
Other Expenses	36	44		35	
<b>EBITDA</b>	50	134	-63%	56	-11%
<b>EBITDA %</b>	9%	22%		10%	
Other Income	5	1		2	
Depreciation	20	10		14	
Finance cost	10	9		2	
<b>PBT</b>	24	116	-79%	42	-42%
<b>PBT Margin %</b>	5%	19%		8%	
Exceptional Items	0	0		0	
Tax	6	33		11	
<b>PAT</b>	18	83	-78%	31	-41%
<b>PAT Margin %</b>	3%	14%		6%	

**Sportking**

## Business Overview





# OVERVIEW

Established in **1989**

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

**Diversified** Product Range

Manufacturing facilities with **Modern Technology**



Presence in **30+** countries

Committed to create **High Quality** end products

Compliance with **International Quality** recognition standards

Focus on **High Manufacturing** efficiencies

# JOURNEY SO FAR

Installed 6K+ Spindles for manufacturing of Acrylic Yarn at Ludhiana in 1993



Spinning Capacity increased by greenfield expansion with installation of 12K+ spindles at Ludhiana (2<sup>nd</sup> unit) for manufacture of synthetic yarn. Capacity expanded from time to time for manufacturing of Synthetic/ Polyester Cotton Blended. Present installed capacity- 65K+ spindles

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



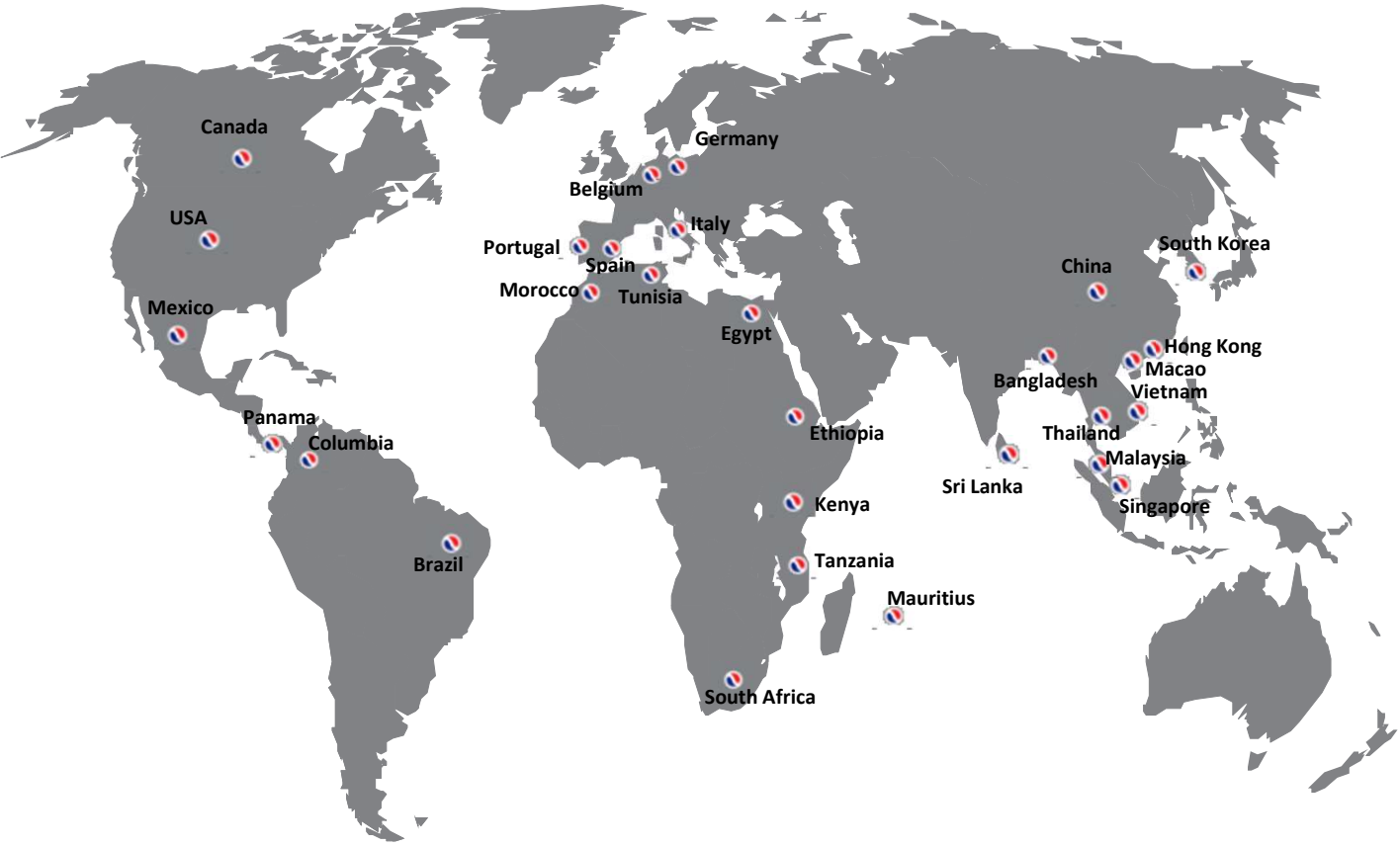
Spinning Capacity increased further with Greenfield expansion with installation of 57K+ Spindles at Bathinda for manufacturing of Cotton Compact Yarn. Capacity expanded from time to time for manufacturing of Polyester Cotton Blended/ Cotton Compact yarn and capacity increase to 1,38,720 Spindles upto November 2013.

Successful expansion at Bathinda Unit adding 68K+ spindles with state-of-the-art plant for manufacturing of cotton compact yarn achieving a total overall spinning capacity 274K+ spindles.

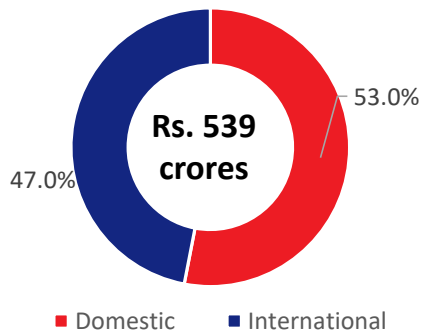


Successful commissioning of 10MW Rooftop Solar Power Project for in house consumption. Capex undertaken for additional 15MW 1<sup>st</sup> Phase & 2<sup>nd</sup> Phase capacity addition of 40,800 & 63,072 Spindles respectively completed for manufacturing of Polyester Cotton yarn and cotton yarn (compact)

# PRESENCE ACROSS THE GLOBE



### Geography Wise Revenue Break-up Q1 FY24



We are representing India on a world stage with average exports worth more than US \$ 150-175 million.

# MANUFACTURING FACILITIES & CAPACITIES



Units	Manufacturing	Installed Capacities
Unit I - <b>Spinning Unit</b>	Acrylic/Blended Acrylic Polyester Yarn/ Blended Polyester Cotton yarn	<b>65,904 Spindles</b>
Unit II - <b>Dye House</b>	Support to Unit No. I & III for their synthetic fibre/ yarn dyeing processing	<b>15-20 MTPD</b>
Unit III - <b>Spinning Unit</b>	compact/contamination free cotton / Polyester cotton blended yarn	<b>3,12,672 Spindles</b>

**Capacity utilisation of all units more than 90%**

## TECHNOLOGICAL EDGE

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

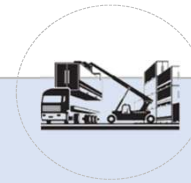




## STRATEGIC ADVANTAGES



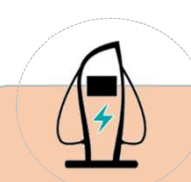
**Rail & Roads** : Helps in better connectivity with other parts of India.



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



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



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



# PRODUCT RANGE



## 100% Cotton Yarns

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



## Polyester/Cotton Blended Yarns

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



## Fancy Yarns

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



## Dyed Yarns

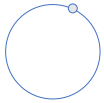
- 100 % cotton and PC blended dyed yarns



## Acrylic & Acrylic/Polyester Blended Yarns

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

# SALES & MARKETING



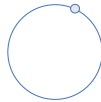
## Focus on excellence

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



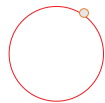
## Customer Driven Innovation

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



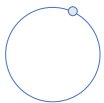
## Domestic & international markets

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



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

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



## Dedicated marketing team

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

MARQUEE CUSTOMERS



## BOARD OF DIRECTORS

**Munish Avasthi**  
 Managing Director

- Munish Avasthi aged 49 years is having rich experience in Spinning/Textile Industry from last 28 years.
- The day-to-day operations of the company are looked after by him. He has been also awarded First Generation Entrepreneur Award for Textile Mills by Cotton Association of India in April 2018.

**Naresh Jain**  
 Executive/Whole  
 Time Director

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

**Prashant Kochhar**  
 Non-Executive  
 Independent Director

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

**Sandeep Kapur**  
 Non-Executive  
 Independent Director

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

**Harpreet Kaur Kang**  
 Non Executive  
 Independent Director

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

**Anjali Avasthi**  
 Non Executive Non  
 Independent Director

- Anjali Avasthi has a Bachelor's degree in Arts
- She has experience of managing Garments Business for many years

## MANAGEMENT TEAM

**Sandeep Sachdeva**  
Chief Financial Officer

- Sandeep Sachdeva is a Qualified Chartered Accountant & Company Secretary with experience of more than 22 years in accounting & finance, trading, banking industries covering, handling of Direct and Indirect taxation and various other matters
- He looks after overall works related to Finance, Finalization of company's Balance sheet, Direct/Indirect taxation, Exports & Imports, key business decisions, etc.

**Shiv K. Sharma**  
President- Production

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

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

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

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

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

**Ravi Parkash Gupta**  
EA to MD

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





**Way Forward**



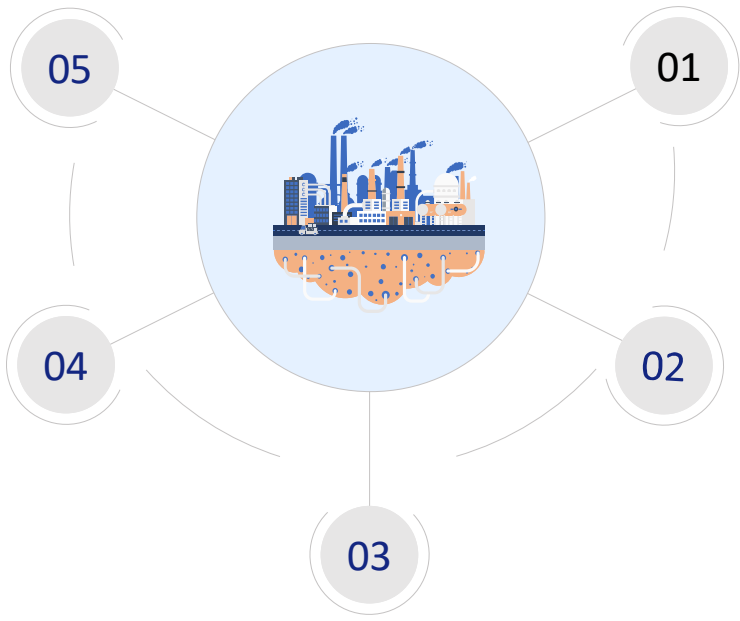
# GOVERNMENT SUPPORT TO TEXTILE SECTOR

### Textile Cluster Development Scheme (TCDS)

The Indian Textile Ministry is implementing the Textile Cluster Development Scheme (TCDS) from 2021-22 to 2025-26 with a view to create an integrated workspace and linkages-based ecosystem for existing and potential textile units

### PLI Schemes

Government is set to come out with second PLI scheme in consultation with industry to focus on segments which are not covered in the earlier scheme like home textile, etc.



### Free Trade Agreements

- Recent FTAs signed between India and UAE, ECTA signed between India and Australia
- India is currently in process of negotiating FTAs with EU, UK, Canada, Israel and other GCC countries/regions

### Mega textile parks

- Approval seven mega textiles and apparel parks under “PM-Mitra” with capital support of Rs 44.4bn over five years from the central and state governments
- Development Capital Support (DCS) of up to Rs 5bn will be given to all greenfield parks and the central government has also announced competitiveness incentive support of Rs 3bn for the early establishment of textiles manufacturing units.

### Remission of duties & taxes on Exports

Government has approved continuation of RoSCTL with the same rates till 31<sup>st</sup> March 2024

# INDIAN TEXTILE SECTOR- READY FOR A TRANSFORMATION

## India's textiles sector is at an inflection point

The sector can act fast and grab the huge opportunity opening up due to a change in global textile trade patterns. While the opportunity is huge, the government and the industry need to act in coordination, and fast, as the world will not wait.

### Working population

Large working population is an asset for this industry  
India has a large working population



### Low-cost countries are a natural choice for textiles

Textiles manufacturing is labour and capital intensive, which is why its manufacturing base has shifted organically to developing and low-cost countries.

Developed countries such as the USA, Europe, Australia, and Japan are major importers of textiles, as they find this cheaper than producing them locally.

### Strong belief in India's capability to increase market share in global textiles

The structural story for the sector intact, and the government and industry will be able to address short-term concerns together 4-5 years will be required to see the real benefits of China +1 strategy



### China's natural advantages are eroding slowly

While China's market share is large, its increasing per capita income and labour costs have resulted in its market share steadily declining in global trade since 2015

# BUSINESS STRENGTHS

## 01 Product Range

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

## 02 Focus on Quality

Ensuring supply of high-quality yarns consistently

## 03 Customer centric Approach

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



## 04 Competitive Prices

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

## 05 Customer Queries resolution

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

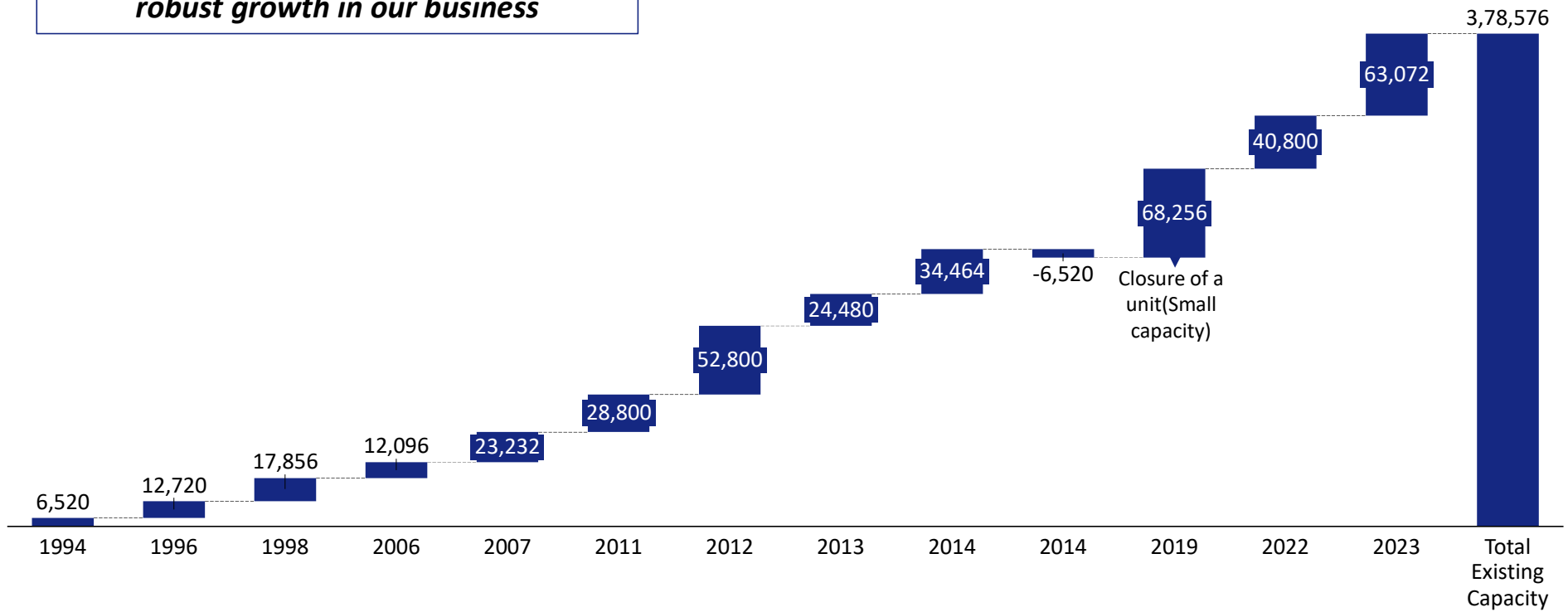
## 06 Brand Launching

Crystal - cotton yarn made with imported cotton

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

# CAPACITY BUILTUP OVER THE YEARS

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



# BUSINESS UPDATES DURING FY23

## Rooftop Solar Power Projects at Bathinda Unit



- Completion of 10MW Rooftop Solar Power Project at for in house consumption**
- Completion Month- June 2022
  - Objective to reduce greenhouse gas emissions and power cost

- New 15MW Rooftop Solar Power Project for in house consumption**
- Additional 10 MW of roof top solar power capacity has come online taking the aggregate capacity to 20MW
  - The remaining 5 MW will be operationalized by September of this financial

## Completion of Phase 1 & 2 capacity expansion Projects at Bathinda Unit

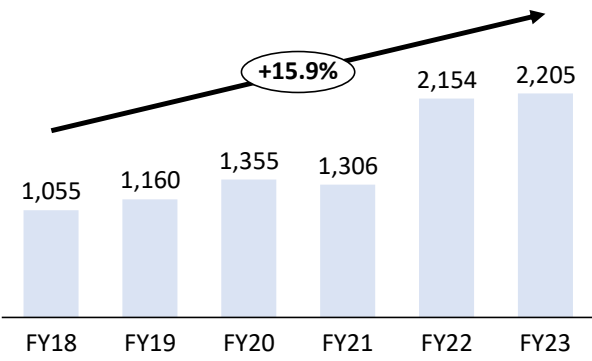


- Completion of phase 1 & phase 2 expansion project**
- 1<sup>st</sup> Phase capacity addition – 40,800 Spindles for manufacturing of Polyester Cotton yarn – Completed
  - 2<sup>nd</sup> Phase capacity addition – 63,072 spindles for manufacturing of cotton compact yarn – Completed in Q4 FY23 as planned

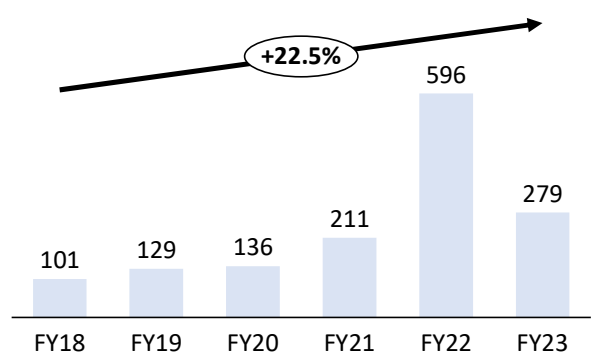


# HISTORICAL FINANCIAL CHARTS

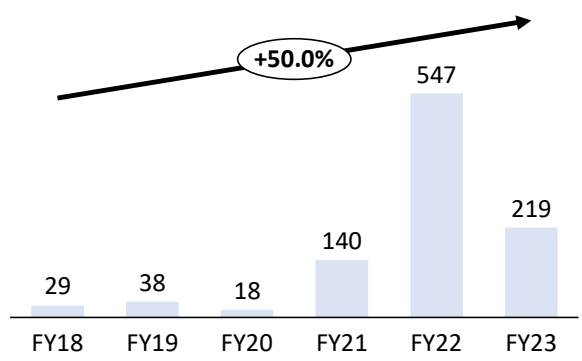
Revenue from Operations (Rs. in Crs)



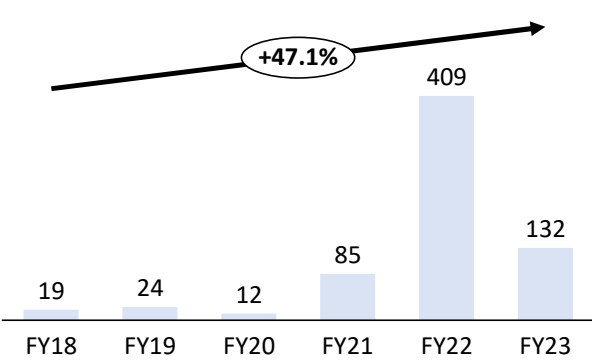
EBITDA (Rs. in Crs)



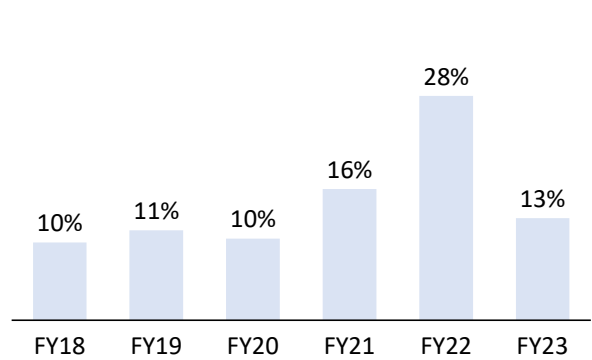
PBT (Rs. in Crs)



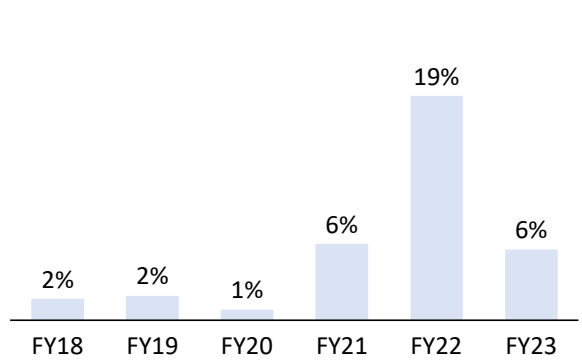
PAT (Rs. in Crs)



EBITDA %



PAT %



# PROFIT & LOSS STATEMENT

Profit & Loss statement (Rs. in Crs)	Mar'23	Mar'22	Mar'21	Mar'20	Mar'19	Mar'18
<b>Revenue from Operation</b>	<b>2,205</b>	<b>2,154</b>	<b>1,306</b>	<b>1,355</b>	<b>1,161</b>	<b>1,055</b>
Raw Material Cost	1,558	1,181	785	901	756	682
Purchase of Finished goods	1	0	0	1	1	1
(Increase) / Decrease In Stocks	-15	-14	10	7	-2	13
Power Cost	119	120	112	113	96	95
<b>Gross Margin</b>	<b>542</b>	<b>867</b>	<b>399</b>	<b>334</b>	<b>309</b>	<b>175</b>
<b>Gross Margin %</b>	<b>25%</b>	<b>40%</b>	<b>31%</b>	<b>25%</b>	<b>27%</b>	<b>25%</b>
Employee Cost	116	105	87	97	83	74
Other Expenses	147	166	103	100	97	89
<b>EBITDA</b>	<b>279</b>	<b>596</b>	<b>209</b>	<b>136</b>	<b>129</b>	<b>101</b>
<b>EBITDA %</b>	<b>13%</b>	<b>28%</b>	<b>16%</b>	<b>10%</b>	<b>11%</b>	<b>10%</b>
Depreciation and Amortisation Expense	48	44	52	63	54	56
Finance Costs	23	29	36	58	39	29
Other Income	12	24	19	3	2	13
<b>PBT</b>	<b>219</b>	<b>547</b>	<b>140</b>	<b>18</b>	<b>38</b>	<b>29</b>
<b>PBT Margin %</b>	<b>10%</b>	<b>25%</b>	<b>11%</b>	<b>1%</b>	<b>3%</b>	<b>3%</b>
Exceptional Items	30	-	22	-	-	-
Tax	58	138	33	6	14	10
<b>PAT</b>	<b>132</b>	<b>409</b>	<b>85</b>	<b>12</b>	<b>24</b>	<b>19</b>
<b>PAT Margin %</b>	<b>6%</b>	<b>19%</b>	<b>7%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>
<b>Earnings per share (EPS) (Rs.)</b>	<b>99</b>	<b>308</b>	<b>63</b>	<b>9</b>	<b>17</b>	<b>4</b>

# THANK YOU



## Sportking India Limited

CIN: L17122PB1989PLC053162

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