

Sportking INDIA LTD.

(Govt. Recognised Three Star Export House)

Regd. & Corporate Office : Vill. Kanech, Near Sahnewal, G.T. Road, Ludhiana-141120 Ph. (0161) 2845456 to 60 Fax : 2845458
Admn. Office : 178, Col. Gurdial Singh Road, Civil Lines, Ludhiana-141001 Ph. (0161) 2770954 to 55 Fax : 2770953
E-mail : sportking@sportking.co.in CIN No. L17122PB1989PLC053162
Website : www.sportking.co.in GST No.: 03AAACS3037Q1ZA

SIL/2023-24/SE

21.08.2023

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: Notice of 34th Annual General Meeting (AGM) and Annual Report for FY 2022-23

Dear Sir,

This is to inform you that 34th Annual General Meeting of the Company is scheduled to be held on **Saturday, the 16th Day of September, 2023 at 10.30 AM** at Registered Office of the Company situated at Village Kanech, Near Sahnewal GT Road, Ludhiana-141120 (Punjab) and pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 34th AGM of the shareholders of the Company and the Annual Report for the Financial Year ended 31st March, 2023. The same is being circulated through electronic mode to all the shareholders of the Company whose E-mail addresses are registered with the Company or Depository Participant(s), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI). The Notice and the Annual Report has also been made available on the Company's website at www.sportking.co.in.

Further, Pursuant to the provisions of Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the facility/option to transact through Remote Electronic Voting is also being provided to the shareholders. The remote E-voting will start on Wednesday, 13th September 2023 at 09:00 a.m. [IST] and ends on Friday, 15th September 2023 at 05.00 p.m. [IST]. Accordingly, for the purpose of determining the shareholders eligible to cast their votes electronically/physically, the Company has fixed Saturday, 09th September, 2023 as the cut-off date.

We further, inform you that pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain close from Monday 11th September, 2023 to Saturday 16th September, 2023 (both days inclusive) for the purpose of holding AGM.

You are requested to take the above mentioned information/document on your record.

Thanking You,

For SPORTKING INDIA LIMITED

LOVLESH VERMA
COMPANY SECRETARY
(ACS: 34171)

34th
ANNUAL
REPORT

2022 - 2023



BOARD OF DIRECTORS

Mr. Munish Avasthi (Chairman w.e.f. 03.09.2022)

Mr. Naresh Kumar Jain

Mrs. Anjali Avasthi (Appointed on 03.09.2022)

Dr. Sandeep Kapur

Mr. Prashant Kochhar

Mrs. Harpreet Kaur Kang

Chairman and Managing Director

Executive Director

Non-Executive Non Independent Director

Independent Director

Independent Director

Independent Director

CHIEF FINANCIAL OFFICER

Mr. Sandeep Sachdeva (Appointed on 21.03.2023)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Lovlesh Verma

BANKERS:

State Bank of India

IFB Branch, Golden Tower,

Dholewal Chowk, Ludhiana-141003

Punjab National Bank

Large Corporate Branch

Industrial Area-A, Ludhiana - 141003

Union Bank of India

MCB Branch Premises No. 5, Dashmesh Complex,

New Lajpat Nagar, Pakhowal Road, Ludhiana -141001

Indian Bank

LCB Branch, 165, Industrial Area,

Cheema Chowk, Ludhiana - 141003

Export Import Bank of India Ltd.

C- 213, Second floor Elante Offices,

Plot No. 178-178 A Industrial Area. Phase-1

Chandigarh – 160002

Central Bank of India

Mid Corporate Branch,

369, R.K.Road, Ind Area-A,

Ludhiana - 141003

Yes Bank Limited

B-XX/2427-928, Gobind Nagar,

Ludhiana-141001

STATUTORY AUDITORS

SCV & Co. LLP

Chartered Accountants

B-XIX-220, Rani Jhansi Road,

Ghumar Mandi, Ludhiana-141001

REGISTERED / CORPORATE OFFICE

Village Kanech, Near Sahnewal,

G. T. Road, Ludhiana - 141120

ADMINISTRATIVE OFFICE

178, Col. Gurdial Singh Road,

Civil Lines, Ludhiana -141001

UNITS:

Village Kanech, Near Sahnewal,

G. T. Road, Ludhiana - 141120

Village Barmalipur, Near Doraha

G. T. Road, Ludhiana -141416

Village Jeeda, Kotkapura Road,

Distt. Bathinda - 151201

REGISTRAR & TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.

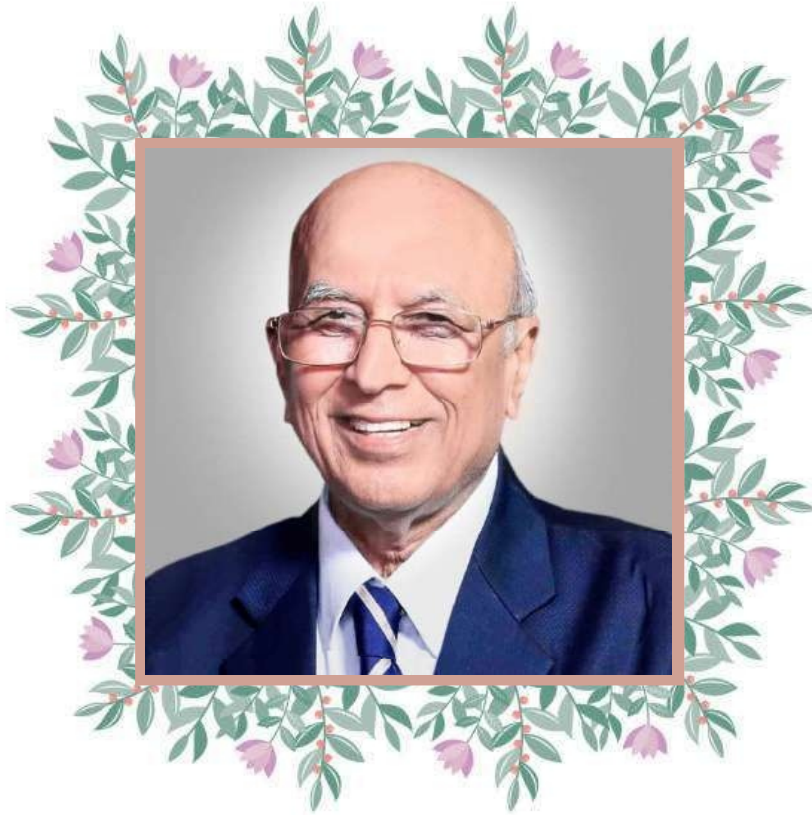
Beetal House, 3rd Floor, 99 Madangir,

Near Dada Harsukhdas Mandir,

New Delhi - 110062

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You will forever be a Source of Inspiration



Late Sh. Raj Kumar Avasthi Ji
Founder / Chairman of Sportking India Limited
18th June 1946- 23rd July 2022

In the month of July 2022, Sh. Raj Kumar Avasthi, founder /chairman of the company fondly called as “Bau Ji” passed away. He was instrumental in establishing Sportking Group of Industries as India’s leading vertically integrated textile conglomerate, which was started by him with his father Sh. Jagdish Chandra Avasthi in 1977. In more than four decades of its existence, Sportking Group has relentlessly continued its journey on the path of fast paced growth under the benevolent vision of late. Sh. Raj Kumar Avasthi.

Sh. Raj Kumar Avasthi was on the Board of the Company since inception and the Company has immensely benefitted from his vision and leadership during his tenure. His passing away will be a great loss to the Company and all the Directors and Employees of the company/group companies convey deep sympathy, sorrow and condolences to his family. We are and will always be extremely grateful for his contribution to the company and society and hold the deepest gratitude for the same.

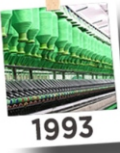
He has done a lot of important work in Punjab for the growth of textile/ readymade and yarn sector. He always focused on making the youth especially rural women folk self-reliant. For this, he had encouraged the youth in the retail sector and provided training to the youth by giving them better pay and stipend. Along with this, he was also involved in the state and national level textile committees. He also built a Sportking Fashion Institute to connect Ludhiana with lifestyle and fashion.

We endeavour to fulfil the legacy that he has left behind which is eternal in the roots of the company and its employees. His ever-graceful presence will always be missed.

Sportking

JOURNEY SO FAR

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



Spinning Capacity increased by greenfield expansion with installation of 12K+ spindles at Ludhiana (2nd 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 compant 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 15 MW roof top solar power project. 1st Phase & 2nd Phase capacity addition of 40,800 & 63,072 Spindles respectively completed for manufacturing of Polester Cotton yarn and cotton yarn (compact)

Rooftop Solar Power Projects at Bathinda Unit



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



Completion of 10MW Rooftop Solar Power Project at for in house consumption

- Completion Month - June 2022
- Objective to reduce green house gas emission 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 year

Completion of phase 1 & phase 2 expansion project

- 1st Phase capacity addition - 40,800 Spindles for manufacturing of Polyester Cotton yarn - Completed
- 2nd Phase capacity addition - 63,072 Spindles for manufacturing of Cotton Compact yarn - Completed in Q4 FY 2023

Sportking

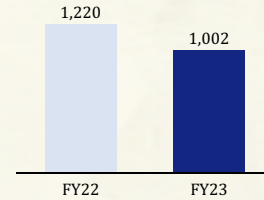
YoY Highlights FY23

Revenue **+2%**
Rs. 2205 crores

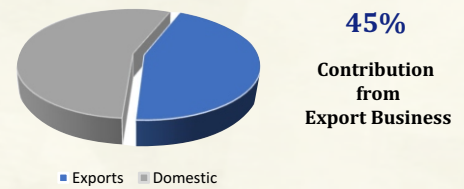
Operating EBITDA
Rs. 279 crores
Margin at 13%

Operating PBT
Rs. 208 crores
Margin at 9%

Revenue from Export Businesses

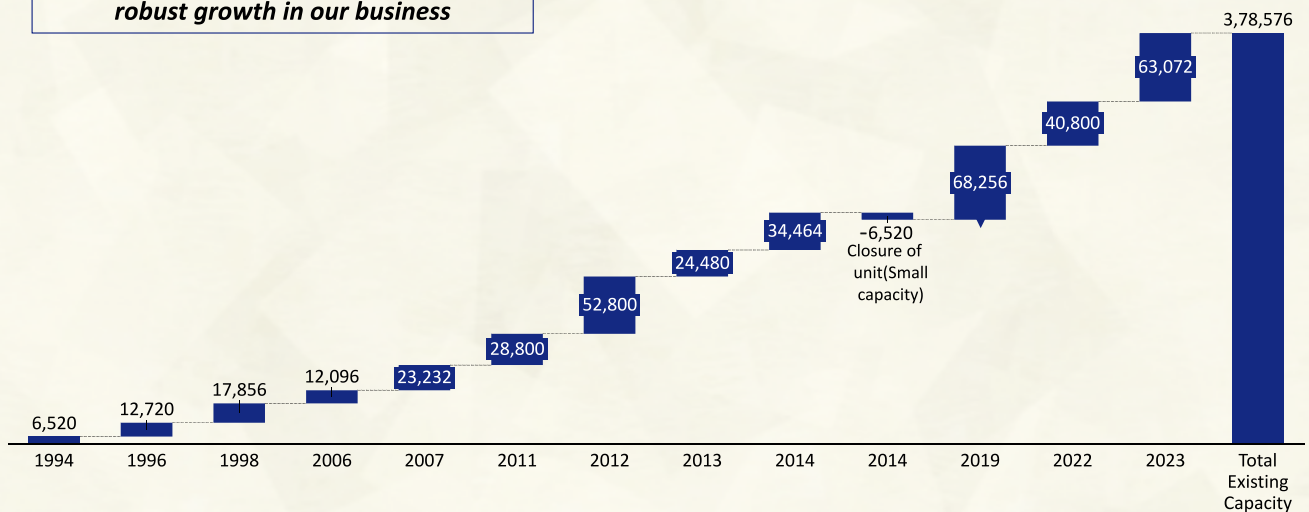


FY23 Revenue Contribution



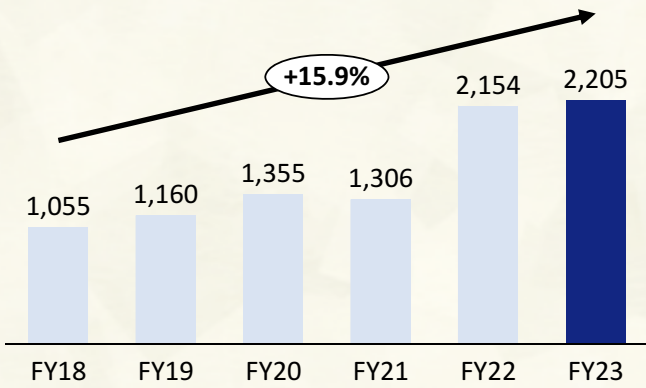
CAPACITY BUILTUP OVER THE YEARS

Continuous capacity addition to support robust growth in our business

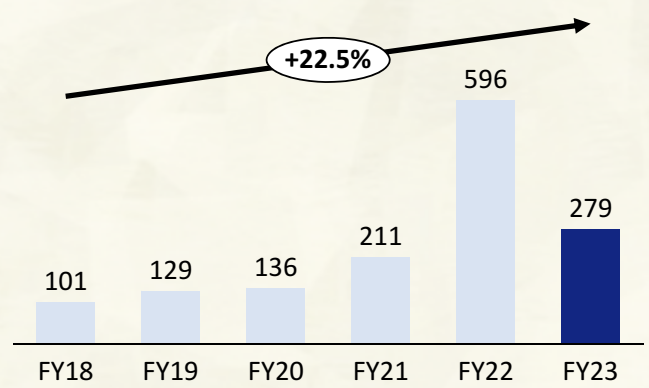


HISTORICAL FINANCIAL CHARTS

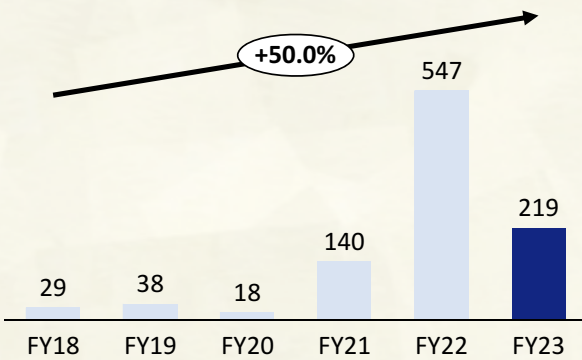
Revenue from Operations (Rs. in Crs)



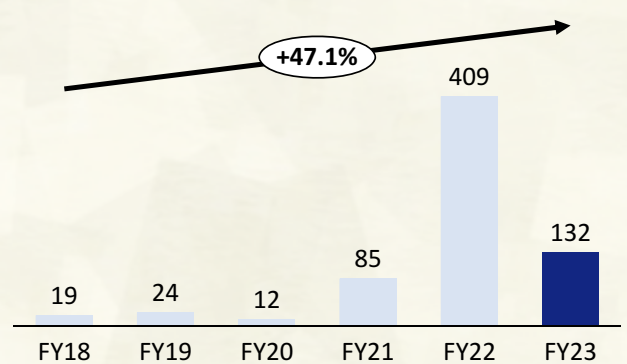
EBITDA (Rs. in Crs)



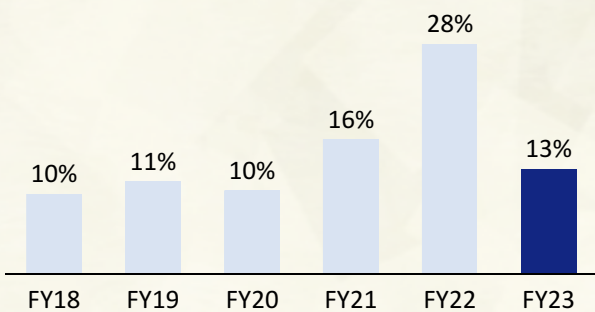
PBT (Rs. in Crs)



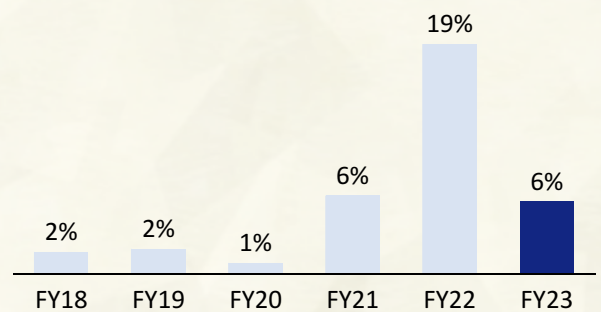
PAT (Rs. in Crs)



EBITDA %

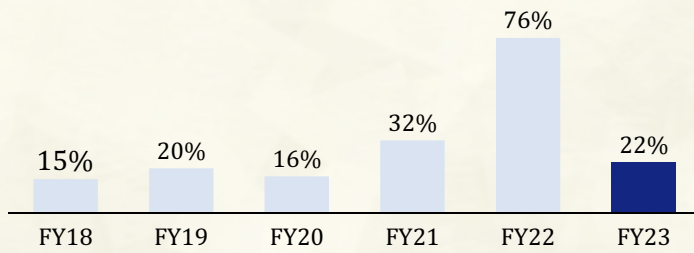


PAT %

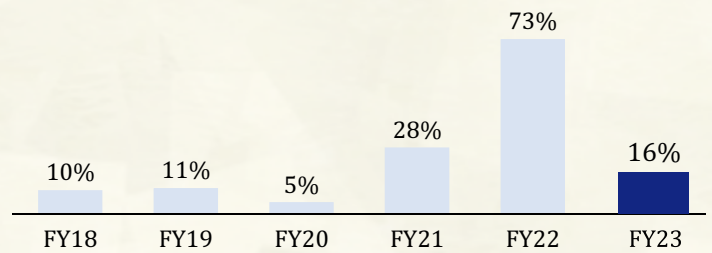


KEY FINANCIAL RATIOS

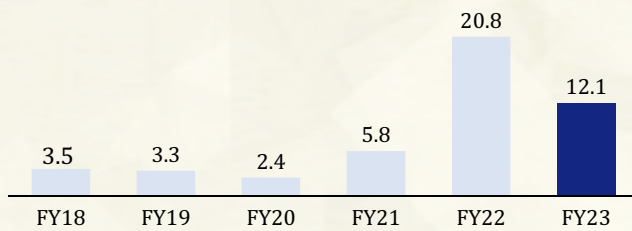
ROCE



ROE



Interest Coverage ratio

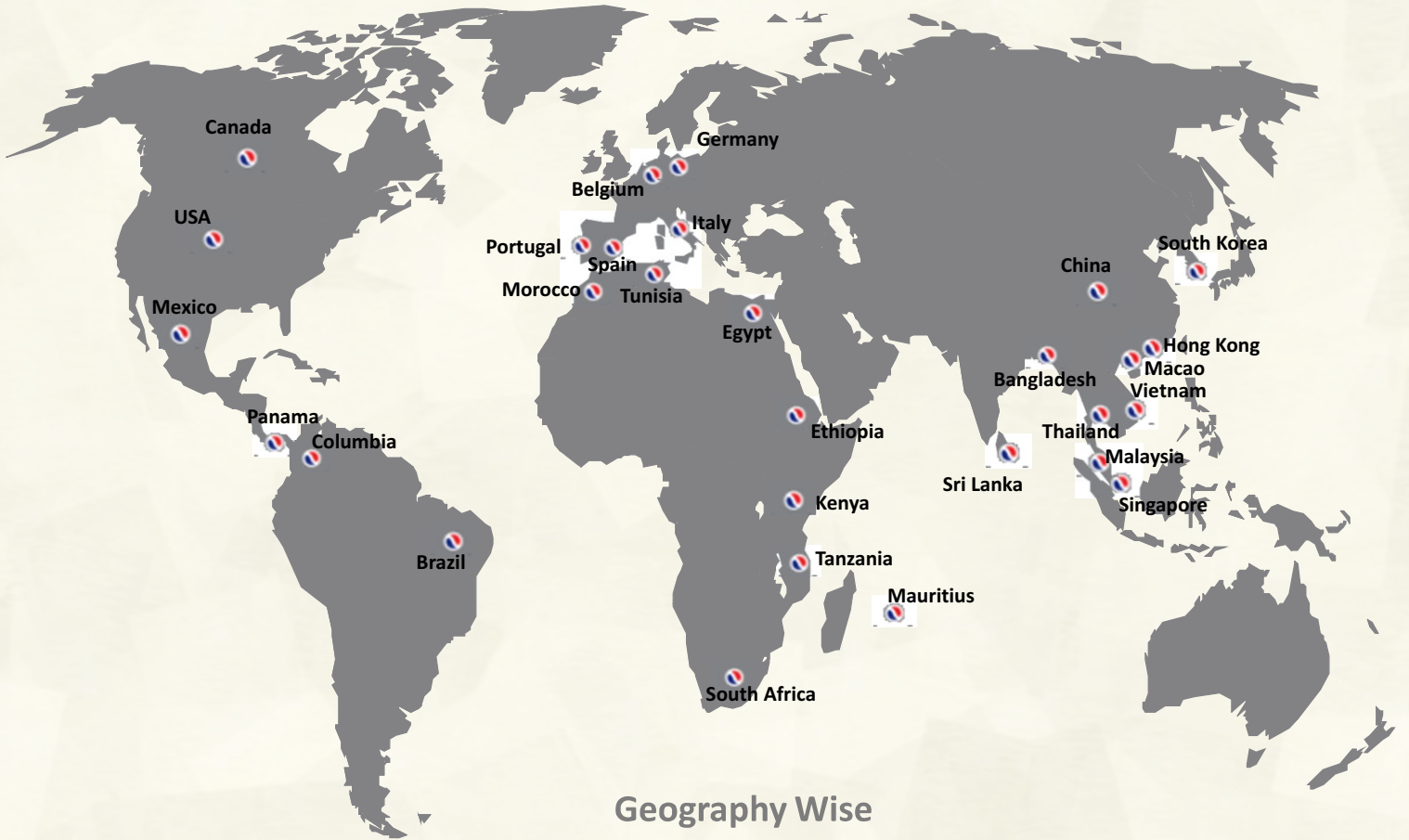


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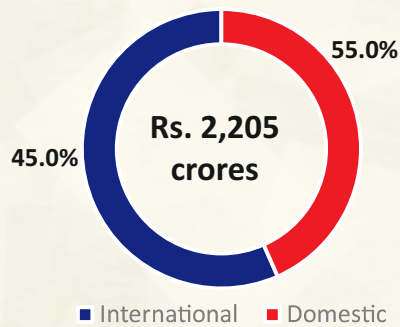
Long term Debt/Equity Ratio



PRESENCE ACROSS THE GLOBE



Geography Wise Revenue Break-up FY23



We are representing India on a world stage with average exports worth more than US \$ 120-150 million.

NOTICE

NOTICE is hereby given that the **34th Annual General Meeting** of the members of Sportking India Limited will be held on **Saturday, the 16th day of September, 2023 at 10.30 AM** at Registered Office of the Company situated at **Village Kanech, Near Sahnewal, GT Road, Ludhiana-141120 (Punjab)** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Kumar Jain (DIN: 00254045) who retires by rotation and being eligible, offers himself for re- appointment.

SPECIAL BUSINESS

3. Ratification of Remuneration payable to Cost Auditors for the Financial Year 2023-24:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and rules made thereunder, as amended from time to time and such other permissions as may be necessary, the members hereby ratify the remuneration of Rs. 1,40,000 (One Lakh Forty Thousand) plus applicable taxes and re-imbusement of expenses incurred/to be incurred on actual basis payable to M/s R.R & Co., Cost Accountants (Firm Registration No. 000323), who was appointed as Cost Auditor of the Company for the Financial Year 2023-24 by the Board of Directors of the Company on the recommendation of Audit Committee of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

4. Re-appointment of Dr. Sandeep Kapur (DIN: 07016726) as an Independent Director of the Company for a second term of consecutive five years:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 , 160 read with Schedule IV of the Companies Act, 2013 (“Act”) including the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s), or re-enactment(s) thereof, for the time being in force) and other applicable provisions, if any, Dr. Sandeep Kapur (DIN: 07016726) who was appointed as Independent Director of the Company upto the conclusion of the 34th Annual General Meeting of the Company and who has offered himself for re-appointment as a Non-Executive Independent Director of the company for a second term of five consecutive years and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and as recommended by Nomination and Remuneration Committee and Board of Directors, in their meeting held on 22nd July 2023, consent of the members be and is hereby accorded for re-appointment of Dr. Sandeep Kapur (DIN: 07016726) as an independent director of the Company not liable to retire by rotation, to hold office for second term of five (5) consecutive years till the conclusion of Annual General Meeting to be held in the year 2028.

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

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

**(Munish Avasthi)
Chairman & Managing Director
DIN: 00442425**

**Place: Ludhiana
Date: 22.07.2023**

**Regd. Office:
Village Kanech, Near Sahnewal, GT Road,
Ludhiana-141120 (Punjab)**

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item No (s.) 3 to 4 set out above and the details under Regulation 36 (3) of SEBI (LODR) Regulations, 2015 in respect of Directors proposed to be re-appointed at the Annual General Meeting, is annexed hereto as Annexure 1 and Annexure 2 respectively.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument(s) appointing the proxy, if any, shall be deposited at the Registered Office of the Company at Village Kanech, Near Sahnawal, G.T. Road, Ludhiana-141120 not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have right to speak at the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Register of the Members and Share Transfer Books of the Company shall remain closed from 11th September, 2023 to 16th September, 2023 (Both days inclusive) in connection with the Annual General Meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the Registrars and the Share Transfer Agent of the Company.
6. In the case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting, if not already voted through remote e-voting.
7. The copy of relevant documents can be inspected at the registered office of the company on any working day between 11:00 A.M. To 01:00 P.M.
8. In terms of Section 101 and 136 of the Companies Act, 2013 read with the rules made thereunder, the Notice of AGM, Annual Report along with Attendance Slip are being sent in electronic mode to members whose e-mail address is registered with the Company or the Depository Participant(s), unless the members have requested for hard copy of the report. Physical copies of the Notice of AGM, Annual Report and Attendance Slip are being sent by permitted mode to those members whose e-mail address is not registered with the Company or Depository Participant(s).
9. Members are requested to bring their copies of the Annual Report at the Meeting. Members seeking any information with regard to the accounts of the company are requested to write to the company at least 15 days before the date of the meeting so as to enable the management to keep the information ready. The queries may be addressed to the Company Secretary email Id i.e. cs@sportking.co.in.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, permanent account number, mandates, nominations, power of attorney, bank details viz., name of the bank, branch details, bank account number, MICR Code, IFSC Code etc., to their Depository Participants ("DPs") in case the shares are held in electronic form and M/s. Beetal Financial & Computer Services (P) Ltd in case the shares are held in physical form.
11. Members/Proxies should bring the attendance slip sent herewith, duly filled in and signed and handover the same at the entrance of the meeting place.
12. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialized form. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact M/s. Beetal Financial & Computer Services (P) Ltd, Registrar and Share Transfer Agents of the Company or the Company for any assistance in this regard.
13. M/s. Beetal Financial & Computer Services (P) Ltd, are situated at Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi and has maintained connectivity with both NSDL/CDSL.

14. In terms of the provisions of Section 72 of the Companies Act, 2013 members are entitled to make nominations in respect of the equity shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. Beetal Financial & Computer Services (P) Ltd in case the shares are held in physical form. Further SEBI has mandated the submission of Permanent Account Number (PAN) / KYC by every securities market participant. Members holding shares in electronic form are therefore requested to submit their PAN to the DP with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN/ KYC to M/s. Beetal Financial & Computer Services (P) Ltd /Company.
15. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Your company has joined the MCA in its environmental friendly initiative. The company would send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register / update their latest e-mail addresses with the Depository Participants (D.P.) with whom they are having Demat Account or send the same to the Company via e-mail at: cs@sportking.co.in. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) rules, 2014 as amended from time to time and Regulation 44 of Listing Regulations, Members have been provided with the facility of "remote e- voting" (e-voting from a venue other than place of Annual General Meeting) on resolutions proposed to be considered at the ensuing Annual General Meeting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL). The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
17. Members may note that the Notice and the Annual Report 2022-23 will also be available on the Company's website www.sportking.co.in , websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.
18. The Company has appointed Mr. Sunny Kakkar, Practicing Company Secretary (M. No. FCS 10111 & C.P. No. 12712) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
19. The Scrutinizer after scrutinizing the votes cast at the Annual General Meeting and through remote e-voting, make a consolidated Scrutinizer's Report and submit the same within the stipulated time to the Chairman or a person authorized by him in writing, who shall countersign the same.
20. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company www.sportking.co.in and on the website of CDSL. The Results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.

The instructions for shareholders voting electronically are as under:

- a) The voting period begins on 13th September, 2023 at 09.00 A.M. (IST) and ends on 15th September, 2023 at 05:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 09th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- d) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- e) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction as stated above (3).

- f) After entering these details appropriately, click on "SUBMIT" tab.

- g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i) **Click on the EVSN <230808005> for Sportking India Limited on which you choose to vote.**
- j) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- l) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- m) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- n) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- o) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- p) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporate" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address i.e. cs@sportking.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- q) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.
- r) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper"/ "Polling Paper" for all those member who are present at the AGM but have not cast their votes by availing the remote e- voting facility.

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

**Place: Ludhiana
Date: 22.07.2023**

**Regd. Office:
Village Kanech, Near Sahnewal, GT Road,
Ludhiana-141120 (Punjab)**

**(Munish Avasthi)
DIN: 00442425
Chairman & Managing Director**

ANNEXURE 1 TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. R.R. & Co, Cost Accountants, Ludhiana to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2024 at a fixed remuneration of Rs. 1,40,000/- plus applicable taxes in their meeting held on 22nd July, 2023.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the cost auditors is to be ratified by the members of the Company.

None of the Directors or KMP's or their relatives are concerned or interested (to the extent of their shareholding in the Company, if any), financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item No. 3 of the accompanying notice for approval of the members as an Ordinary Resolution.

Item No. 4

Dr. Sandeep Kapur (DIN: 07016726) was appointed/regularized as an Independent Director of the Company for a first term of five consecutive year upto conclusion of the 34th Annual General Meeting of the Company. As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, an Independent Director can be re-appointed for a second term of consecutive five years by obtaining approval of the shareholders by a way of special resolution.

Dr. Sandeep Kapur (DIN: 07016726) has offered himself for re-appointment as an Independent Director of the Company for second term of consecutive five years. The company has also received declaration from Dr. Sandeep Kapur that he is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as director and meet with the criteria of independence as prescribed both under section 149(6) read with Schedule IV of the Companies Act, 2013 and Regulation 16(b) of SEBI (LODR) Regulations, 2015.

In the opinion of Board Dr. Sandeep Kapur fulfill the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Based on the recommendations given by the Nomination and Remuneration Committee accepted by the Board of Director in its meeting held on 22nd July 2023, it is proposed to re-appoint Dr. Sandeep Kapur (DIN: 07016726) as an Independent Director for second term of five (5) consecutive years till the conclusion of Annual General Meeting to be held in the year 2028 and he shall not be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013.

Brief profile of Dr. Sandeep Kapur provided as Annexure to this Notice may also be regarded as an appropriate disclosure under the Listing Regulations as amended from time to time and Secretarial Standard – 2 for General Meetings issued by the Institute of Company Secretaries of India.

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

Except Dr. Sandeep Kapur, none of the other Directors or KMP's of the Company or their relatives are concerned or interested (to the extent of their shareholding in the Company, if any), financial or otherwise, in the resolution set out at Item No. 4 of this Notice.

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

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

**Place: Ludhiana
Date: 22.07.2023**

**Regd. Office:
Village Kanech, Near Sahnewal, GT Road,
Ludhiana-141120 (Punjab)**

**(Munish Avasthi)
Chairman & Managing Director
DIN: 00442425**

ANNEXURE 2 TO THE NOTICE

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

Name of the Director	Mr. Naresh Kumar Jain	Dr. Sandeep Kapur
DIN	00254045	07016726
Age	70 Years	57 Years
Date of Appointment	30.07.2009	03.11.2018
Number of Meetings attended during the FY 2022-23	6	6
Qualification	Graduate	B.Tech, MBA, Ph.D
Nature of his expertise in specific functional areas	Vast Experience in Managing Textile and Garments Business.	Professor of Business Management at PAU. He was specialized in marketing management.
Names of the other listed entities in which the person also holds the Directorship	NA	NA
The membership of the committees of the board of other Listed Entities	NA	NA
Listed entity from which the Director resigned in last 3 years	NA	NA
Disclosure of Relationship between Directors	NA	NA
Equity Shareholding in the Company as on 31.03.2023	5200	NIL

DIRECTORS' REPORT

Dear Members

The Directors of your Company are pleased to present their 34th Annual Report on the affairs of the Company together with Financial Statement of the Company for the year ended 31st March, 2023.

1. CORPORATE OVERVIEW AND INFORMATION

The Company was incorporated in in 1989 and emerged as one of India's leading textile company & owns 3 state-of-the-art manufacturing facilities in India equipped with latest machinery, producing yarns that are a benchmark in quality. The company produces well diversified range of grey and dyed textile yarns to cater to the demands of weaving and knitting industry in domestic as well as international markets. With presence in more than 30 countries, Sportking India Ltd. is representing India on a world stage with a commitment to deliver superior quality products among evolving trends in customer preferences.

2. FINANCIAL RESULTS

The Financial Statements of the Company for the year ended 31st March, 2023 had been prepared in accordance with Indian Accounting Standards (Ind AS). The financial performance of your Company for Financial Year(s) 2022-23 and 2021-22 are as under:

(Rupees in Lakhs)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Revenue from Operations (Net)	220502.30	215401.18
Other Income	1152.42	2415.12
Earnings before Interest , Depreciation, Tax and Amortization (EBIDTA) and Exceptional Items	29035.00	61984.58
Interest and Financial Expenses	2304.89	2857.81
Profit before Depreciation, Amortization , Tax (PBDT) and Exceptional Items	26730.11	59126.77
Depreciation and Amortization	4815.00	4385.91
Profit before Tax (PBT) and Exceptional Items	21915.11	54740.86
Exceptional Items	2965.31	0.00
Profit before Tax (PBT)	18949.80	54740.86
Provision for Tax		
-Current Tax	4887.18	13852.65
-Prior Period Tax	7.64	(31.62)
-Deferred Tax	856.78	(5.09)
Profit after Tax (PAT)	13198.20	40924.92
Other Comprehensive Income (Net of Tax of Rs. 24.22 Lakhs in Current Year and Rs. 45.09 Lakhs in previous year)	72.00	134.09
Total Comprehensive Income for the year	13270.20	41059.01
Earnings Per Equity Share (In Rs.)		
-Basic	99.33	308.00
-Diluted	99.33	308.00

3. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

BUSINESS REVIEW

Economic Outlook

The global economy is experiencing a broad-based and sharper-than-expected slowdown, with inflation at its highest in decades. The COVID-19 pandemic, financial tightening, Russia's invasion of Ukraine, and the cost-of-living crisis are contributing to the economic challenges. In most of the major economies, inflation touched record high due to unprecedented increase in commodity prices and supply disruptions. Due to the stubbornness in inflation, major central banks continued to tighten their monetary policy, but now at a slower pace. Global growth is forecast to slow significantly in the coming years, with advanced economies expected to be impacted the most.

The rapid rise in interest rates, to put inflation on a downward path and anticipated to slow the economic activity, have contributed to stress in parts of the financial system, raising financial stability concerns. The recent failures of banks in the United States and the collapse of confidence in Credit Suisse, a globally significant bank, have roiled financial markets, with bank depositors and investors re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable.

Though inflation has receded with central banks raising interest rates, underlying price pressures are proving sticky, with labour markets being tight in several economies. In parallel, debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices have moderated, but the elevated geopolitical tensions are the key risks. However, earlier than expected opening of China is easing supply chain disruptions and renewing hopes for moderate economic recovery.

Rates have begun to ease, but core inflation is stickier than anticipated and shows signs of picking up. The pressure on many households remains acute, and the cost of living to stay at crisis levels in numerous countries throughout 2023. The recent banking instability has complicated efforts to deal with runaway prices. The central banks now face a trade-off between managing inflation and maintaining financial sector stability. A similar proportions expect central banks to struggle to reach their inflation target.

Considering these developments, IMF in its "World Economic Outlook" released in April 2023, global growth will bottom out at 2.8 percent this year before rising modestly to 3.0 percent in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7.0 percent this year and 4.9 percent in 2024%. India's growth continues to be resilient despite some signs of moderation in growth. World bank in its economic outlook report notes that although significant challenges remain in the global environment, India was one of the fastest growing economies in the world. India is currently 5th largest economy in the globe and aspires to be the 3rd largest economy by 2027-28.

The overall growth remains robust and is estimated to be 6.9 percent for the full year with real GDP growing 7.7 percent year-on-year during the first three quarters of fiscal year 2022-23. There were some signs of moderation in the second half of FY 2022-23. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. Inflation remained high, averaging around 6.7 percent in FY 2022-23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices.

The Indian Rupee has moved in an orderly manner in the calendar year 2022 and continues to be so in 2023 as well. This reflects the strength of domestic macroeconomic fundamentals and the resilience of Indian economy to global spill-overs. The government's thrust on capital expenditure, increased capacity utilization in manufacturing, double digit credit growth and the moderation in commodity prices are expected to bolster manufacturing and investment activity.

The Monetary Policy Committee (MPC) at its meeting in June 2023 decided to keep the policy rates unchanged after a series of hikes in FY23. It may be expected that Interest rates are likely to soften considerably from current levels and bonds will perform well this year generating capital gains over and above the coupon rates. The macro-and micro-prudential measures taken by RBI to prevent build-up of financial vulnerabilities are now more on identifying the root cause rather than dealing with the symptoms alone.

Looking ahead, real GDP growth is projected at 6.5% in FY2024 (RBI), with economic activity backed by improving rural demand, the Government's thrust on infrastructure spending, revival in corporate investment, healthy bank credit, and moderating commodity prices.

Textile Outlook

The global textile market grew from \$573.22 billion in 2022 to \$610.91 billion in 2023 at a compound annual growth rate (CAGR) of 6.6%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The textile market is expected to grow to \$755.38 billion in 2027 at a CAGR of 5.5%.

The Indian textile industry is the second largest producer of MMF Fibre after China. India is the 3rd largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy. Major textile and apparel export destinations for India are USA, EU-27 and UK, accounts for approximately 50% of India's textiles and apparel exports. The sector holds importance from the employment point of view as well. It provides direct and indirect employment and source of livelihood for millions of people including a large number of women and rural population. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment.

India's overall exports touched new heights to reach \$770.18 billion, registering a growth of 13.84 per cent year-on-year. Merchandise exports registered highest ever annual exports of \$447.46 billion, at a growth of 6.03 per cent. The exports were noted at \$422 billion during 2021-22. Exports of readymade garment (RMG) of all textiles increased by 1.10 per cent to \$16,191.47 million in fiscal 2022-23 (April 2022 to March 2023), as per the data released by the department of commerce under India's ministry of commerce and industry. The exports of cotton yarn, fabrics, made-ups, and handloom products declined by 28.45 per cent to \$10,946.20 million in 2022-23 from \$15,298.02 million in the corresponding period of the previous fiscal.

India's textile industry faces tough times as international consumers cut spending on non-essentials and import orders of both textiles and garments contract worldwide. This leaves the sector vulnerable. It can no longer be denied that the \$200 billion textile and apparel industry is facing a crisis as consumers in the United States, Europe and other big markets have cut spending on clothing following a surge in inflation after the war in Ukraine.

Cotton has a prominent share in the textile manufacturing sector. India has the distinction of having the largest area under cotton cultivation which is about 38% of the world area under cotton cultivation and is one of the largest producer of cotton in the world accounting for about 22% of the world cotton production. However cotton yield is still lower against the world average yield. The increasing applications and usage of cotton in various industries are driving the demand for cotton from many countries across the globe.

Despite a slowdown in demand for various sectors, Indian exporters are optimistic about a strong performance in 2023-24. They expect exports to rise by 11-13 per cent, with cotton textile and apparel exporters expecting 8-10 per cent year-on-year growth. The industry is hopeful for a full recovery in business after July, relying on the recovery of advanced markets and an improved order book. As per CRISIL SME Tracker, in FY24, cotton yarn prices are projected to fall almost 15 per cent due to a high base and subdued export demand and this will affect price realization. The textiles sector could see a moderation in revenue growth in 2023-24 (FY24) as export demand, which usually accounts for a fourth of the total market, is expected to be limited due to a slowdown in US and Europe. However, domestic demand is expected to grow at a steady pace.

The new budget for 2023-24 contains a sizeable increase in grants for the textile industry, with a total allocation of Rs. 4,389.34 crore. The total allocation for the sector is an impressive 22.6% higher than the previous year's budget and shows the government's commitment to aiding the growth of the sector. Additionally, there have been allocations of funds towards programs such as National Technical Textiles Mission (NTTM), PM-MITRA and textile development cluster scheme, which are designed to promote capacity building and investments in this area. All in all, this financial support should create a favorable environment for the continued success of India's textile industry.

The government has allocated a 38% increase in the allocation of Technology Up gradation Funds (ATUFs), going from Rs.650 crore in 2022-23 to Rs.900 crore in 2023-24. This will enable quicker payment for pending cases, allowing the textile industry to stay up to date with necessary materials and supplies. The Increased allocation to both RoDTEP and RoSCTL have also been increase as well as a corpus of Rs 9,000 crore revamping credit guarantee schemes which aims provide collateral free guaranteed credit worth RS 2 lakh crore. Additionally, a cluster-based value chain approach with Public Private Partnership (PPP) is being implemented to enhance productivity of extra-long staple (ELS) cotton by connecting farmers, states, and industries together through sources, services, and market linkages

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

Key Financial Ratios

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

Ratio (s)	Unit	31 st March, 2023	31 st March, 2022	Changes (%)	Remarks
Debtor Turnover Ratio	Days	40	71	43.66	Due to improvement in collection period.
Inventory Turnover Ratio	Days	61	88	30.68	Due to decrease in Raw material Inventory Stocks.

Ratio (s)	Unit	31 st March, 2023	31 st March, 2022	Changes (%)	Remarks
Interest Coverage Ratio	Times	12.59	21.68	-41.92	Mainly due to reduction in EBIDTA margins are comparatively less in FY 2022-23 as compared to FY 2021-22
Current Ratio	Times	2.63	1.70	54.71	As current borrowings were reduced substantially, on the other hand inventories and Trade Receivables were also reduced but decrease in current assets was comparatively lower than decrease in current liabilities. So consequently current ratio improved.
Debt Equity Ratio	Times	0.52	0.70	24.76	Due to reduction in current borrowings as well as increase in Capital base of the company because of profits.
Operating Profit Margin	%	8.36	24.98	-66.53	Profit/EBIDTA margins are comparatively less in FY 2022-23 as compared to FY 2021-22 mainly due to increase cost of Raw Material consumed.
Net Profit Margin	%	5.99	19.00	-68.42	
Return on Net Worth	%	14.75	53.50	-72.43	

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

The company had achieved EBIDTA/Sales ratio of 13.17% during FY 2022-23 vis –a-vis EBIDTA/Sales ratio of 28.78% in the previous FY 2021-22 which has decreased due to increase in the cotton prices as compare to previous financial year. The current year net profit after tax is Rs. 13198.20 Lakhs against previous year net profit after tax of Rs. 40924.92 Lakhs which was down by almost 68% due to higher cotton prices, inflationary pressures and low demand for clothing and apparel.

FINANCIAL ANALYSIS

Production/Revenue

Despite facing headwinds in the last financial years, the company has achieved its highest ever revenue of Rs. 2205 Crs, a growth of 2% year to year. During the year under review, the company has achieved production of 61769 M.T. of Cotton/ Synthetic Yarn against previous year production of 59856 M.T. which had increased by 3.20%. The company has achieved a gross turnover/operating income of Rs. 220502.30 Lakhs (including export incentives of Rs. 4507.46 Lakhs) as compared to Rs. 215401.18 Lakhs (including export incentives of Rs. 5108.47 Lakhs) in the previous year. The values of the exports were at Rs. 100232.08 lakhs in the current year as compared to Rs. 122002.37 Lakhs in the previous year.

Profitability

During the year under review company had achieved Earning before Depreciation, Interest, Tax and Amortization (EBIDTA) of Rs. 29035.00 Lakhs with EBIDTA/Sales ratio of 13.17% during FY 2022-23 as compared to Rs. 61984.58 Lakhs with EBIDTA/ Sales ratio of 28.78% in the previous FY 2021-22 which were declined due to higher cotton prices, low demand for clothing and apparel and reduction in yarn prices in international market. The cost of interest had come down to Rs. 2304.89 Lakhs as compared to Rs. 2857.81 Lakhs in the previous year due to lower availment of fund based working capital limits and repayment of term loans.

The Company earned profit before tax of Rs. 18949.80 Lakhs as compared to previous year Rs. 54740.86 Lakhs. After providing for current tax of Rs. 4887.18 Lakhs (Previous year Rs. 13852.65 Lakhs), Prior Period Tax of Rs. 7.64 Lakhs (Previous Year negative of Rs. 31.62 Lakhs) Deferred tax liabilities of Rs. 856.78 lakhs (Previous Year negative of Rs. 5.09 Lakhs) there was a net profit after tax of Rs. 13198.20 Lakhs against previous year net profit after tax of Rs. 40924.92 Lakhs. Total Other Comprehensive Income for current financial year is Rs. 72.00 lakhs as compared to Rs. 134.09 Lakhs in previous year and the net profit after tax and other comprehensive income was Rs. 13270.20 Lakhs as compared to previous year net profit after tax and other comprehensive income of Rs. 41059.01 Lakhs. The company earned gross cash profit (before tax) of Rs. 23764.80 Lakhs against Rs. 59126.77 Lakhs in the previous year and cash profit (after current taxes) of Rs. 18869.98 Lakhs against Rs. 45305.74 Lakhs in the previous year.

RESOURCE UTILISATION
Fixed Assets

The net Block of Property, Plant and Equipment as at 31st March, 2023 was Rs. 75696.44 Lakhs as compared to Rs. 38164.71 Lakhs in the previous year which has increased on account of expansion project. The Capital work in progress was at Rs. 662.07 Lakhs as at 31.03.2023 as compared to 7322.88 Lakhs in the previous year.

Current Assets and Current Liabilities

The current assets as on 31st March, 2023 were Rs. 78491.84 Lakhs as against Rs. 105809.40 Lakhs in the previous year. Inventory level was at Rs. 37197.82 Lakhs as compared to the previous year level of Rs. 52189.14 Lakhs. Trade Receivables level was at Rs. 23369.00 Lakhs (including Bill discounted/Negotiated of Nil Lakhs) as compared to the previous year level of Rs. 41112.88 Lakhs (including bill discounted/Negotiated of Rs. 16278.24 Lakhs). The current liabilities as on 31st March 2023 were Rs. 29813.40 Lakhs as against Rs. 62136.40 Lakhs in the previous year.

LIQUIDITY & CAPITAL RESOURCES

The position of liquidity and capital resources is given below:

(Rupees in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Cash & Cash Equivalents		
Beginning of the year	53.54	82.98
End of the year	1155.56	53.54
Net Cash provided/ (used) by:		
Operating Activities	51969.41	9563.09
Investing Activities	-39185.48	-10283.69
Financial Activities	-11681.91	691.16

The company is utilizing cash accruals for meeting term loans repayment commitments and building of net working capital funds etc.

EXPANSION PROJECT

The company has successfully commissioned two additional capacity projects in the last one year. The first phase of 40,800 spindles of manufacturing of polyester cotton yarn in quarter second, and the second phase of 63,072 spindles in the end of quarter four. This has taken overall production/installed capacity of the company to 3,78,576 spindles. So in last one year, company added almost 35% capacity. Further In endeavor to contribute to the environment, company in process of implementation of additional 15 MW Rooftop Solar Power Project which is going as per schedule and is expected to be fully commissioned by September 2023 and thus lead to some cost savings.

CREDIT RATING

CRISIL Ratings Limited had upgraded/assigned the following credit rating of the Company:

Sr No	Name of the Facility	Rating on 25.04.2022 (Upgraded)	Rating on 19.09.2022 (Assigned/upgraded)	Rating on 06.06.2023 (Assigned/upgraded)
1.	Long Term Rating	CRISIL A/Stable	CRISIL A/ Stable(Reaffirmed)	CRISIL A/ Stable(Reaffirmed)
2.	Short Term Rating	CRISIL A1	CRISIL A1(Reaffirmed)	CRISIL A1(Reaffirmed)

Further all the External Credit ratings is available on Company's website i.e. www.sportking.co.in

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has internal audit department to oversee internal control systems and procedures to ensure efficiency of decisions for optimum utilization and protection of resources and compliance with applicable statutory laws and regulations and internal policies. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and are also apprised of the internal audit findings and corrective actions. The Audit Committee suggests improvements and utilizes the reports generated from a Management Information System integral to the control mechanism.

The Risk Management Committee maintains an oversight on the Company's risks and is responsible for reviewing the effectiveness of the risk management plan or process. Risk management is embedded within the Company's operating framework and the Company has a well-defined, internal financial control structure. During the year under review, these controls were evaluated and no material weaknesses were observed in their design or operations.

The Company endeavors to continually sharpen its risk management systems and processes in line with a rapidly changing business environment. During the year under review, there were no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are mentioned in the Management Discussion and Analysis Report.

5. HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The company recognizes its human resources as its most valuable asset and takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has specialized professionals in the respective fields to take care of its operations and allied activities. The Company is committed to nurturing, enhancing and retaining the top talent through superior learning. This is critical pillar to support the organization's growth and its sustainability in the long run. During the year under review, the company enjoyed cordial relationship with workers and employees at all levels.

6. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

Not Applicable

7. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Not Applicable

8. DIVIDEND

No dividend was declared by the Company for the Financial Year 2022-23. The provisions of Section 125(2) of the Companies Act, 2013 relating to Transfer of Unclaimed Dividend to Investor Education and Protection Fund do not apply as there was no dividend declared and paid by the company in the past 10 years. The Company had formulated a Dividend Distribution Policy and is annexed hereto as "Annexure A" and forms part of this Report.

The Policy is also available on Company's website i.e. www.sportking.co.in.

9. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2023 stood at Rs. 1344.80 Lakhs divided into 13287200 Equity Shares of the face value of Rs. 10/- each (Rs. 1328.72 Lakhs plus amount of Rs. 16.08 Lakhs paid up on forfeited Equity Shares) vis-à-vis Rs. 1344.80 Lakhs as at 31st March, 2022 divided into 13287200 Equity Shares of the face value of Rs. 10/- each (Rs. 1328.72 Lakhs plus amount of Rs. 16.08 Lakhs paid up on forfeited Equity Shares).

Further after obtaining the approval from the Board of Directors on January 28, 2023, the Company has initiated buyback process in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 in respect of buyback of 5,80,000 equity shares having face value of Rs.10/-each from the Shareholders of the Company on proportionate basis by way of tender offer route at a price of 950/- per share for an aggregate amount of 5510 lakhs (8.01% 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) . The buy-back process has been completed on 17th April 2023.

During the FY 2022-23 the Company had redeemed 31,85,200, 5% Non-Convertible Non-Cumulative Redeemable Preference Shares having face value of Rs. 10/- each (8,85,200 Preference Shares issued during FY 2006-07 and 23,00,000 Preference Shares issued during FY 2010-11 at premium of Rs. 25/- per Share) at a premium of Rs. 90/- per share. The paid up Redeemable Preference Shares Capital as at 31st March, 2023 stood at Rs. 683.20 Lakhs divided into 68,32,000 Preference Shares face value of Rs. 10/- each vis-à-vis Rs. 1001.72 Lakhs as at 31st March, 2022 divided into 10017200 Preference Shares face value of Rs. 10/- each.

During the year under review, the Company has not issued any equity shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2023, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

10. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

The Company does not have any Subsidiary /Associate/Joint Venture Companies.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators/Court/Tribunals that would impact the going concern status of the Company and its future operations.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of the Companies Act, 2013 read with Rules made thereunder, the disclosure relating to the CSR activities pursuant to section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, is annexed hereto as “Annexure B” and forms part of this Report.

The CSR Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company’s website at the link: www.sportking.co.in

13. RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy formulated under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has been duly approved by the Board of Directors with an objective of ensuring sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. The Policy on Risk Management may be accessed on the Company’s website at the www.sportking.co.in.

14. RELATED PARTY TRANSACTIONS

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

During the year under consideration, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. Details of all RPTs are mentioned in the notes to financial statements forming part of the Annual Report

The Company in terms of Regulation 23 of SEBI (LODR) Regulations, 2015, submits the disclosures of Related Party transactions to stock exchange and also publishes the same on its website. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company’s website at the www.sportking.co.in.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE:

The company has not given any loans, guarantees or made investments under the provisions of Section 186 of the Companies Act, 2013.

16. DIRECTORS

In accordance with the articles of association of the Company and as per the provision of Section 152 of the Companies Act, 2013, Mr. Naresh Kumar Jain (DIN: 00254045), Whole Time Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

In the last Annual General the company held on 30th September 2022, shareholders of the company through special resolution had re-appointed Mr. Munish Avasthi and Mr. Naresh Kumar Jain as Managing Director and Wholetime Director of the Company for three years starting from 01st October 2022.

Further in the last Annual General the company held on 30th September 2022, shareholders of the company through special resolution had appointed Mrs. Anjali Avasthi (DIN: 06911970) as Non-Executive Non Independent Director of the Company.

Based on the recommendations given by the Nomination and Remuneration Committee the Board of Director in its meeting held 22nd July 2023 and subject to approval of the shareholder in ensuing Annual General Meeting it is proposed to re-appoint

Dr. Sandeep Kapur (DIN: 07016726) as an Independent Director for second term of five (5) consecutive years till the conclusion of Annual General Meeting to be held in the year 2028 and he shall not be liable to retire by rotation in accordance with the provisions of the Companies Act, 2013.

The Company has received declarations from all Independent Directors confirming that they meet the relevant independence criteria as laid down in Section 149(6) of the Companies Act, 2013 as well as the Regulation 16(1)(b) and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board also confirms that all the Independent Director on the Board of the Company are registered with the Indian Institute of Corporate Affairs(IICA) as notified by the Central Government under section 150(1) of the Companies Act, 2013.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence, are independent of the management, possess the requisite integrity, experience, expertise, proficiency and qualifications to the satisfaction of the Board of Directors. The details of remuneration paid to the members of the Board is provided in the Report on Corporate Governance.

17. KEY MANAGERIAL PERSONNEL

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

Sr. No	Name	Designation
1.	Mr. Munish Avasthi	Managing Director
2.	Mr. Sandeep Sachdeva*	Chief Financial Officer
3.	Mr. Lovlesh Verma	Company Secretary

*** The Board of Directors on the recommendations of the Audit Committee and Nomination and Remuneration Committee had appointed Mr. Sandeep Sachdeva as a Chief Financial Officer and KMP of the Company in its Meeting held on 21st March, 2023.**

18. AUDIT COMMITTEE

The Company had an Audit Committee of the Board of Directors, the members of which are Mr. Prashant Kochhar, Dr. Sandeep Kapur, Mrs. Harpreet Kaur Kang and Mr. Naresh Kumar Jain. Mr. Prashant Kochhar is the Chairman of the Committee.

The Committee is empowered to look into all the matters related to finance and accounting and its terms of reference are as per regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 177 of The Companies Act, 2013.

MEETINGS OF THE BOARD AND AUDIT COMMITTEE

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, Committees of the Board and each Director individually. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The Independent Directors of the Company met without the presence of Non-Independent Directors and members of the management to review the performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairman and Managing Director of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

NOMINATION AND REMUNERATION POLICY

In compliance with Section 178 of the Companies Act, 2013, the Board of the Directors has constituted Nomination and Remuneration Committee who has framed a policy in relation to the remuneration of Directors, Key Managerial Personnel and Senior Management of the Company and the criteria for their selection and appointment which is stated in the Corporate Governance Report.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Your Company is focused to ensure that ethics continue to be the bedrock of its corporate operations. It is committed to conducting its business in accordance with the highest standards of professionalism and ethical conduct in line with the best governance practices

Pursuant to Section 177(9/10) of the Companies Act, 2013 and regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Whistle Blower Policy for Vigil Mechanism for Directors and employees reporting for unethical behavior, fraud and mismanagement or violation of Company's code of conduct.

The Policy provides adequate protection to the Directors, employees and business associates who report unethical practices and irregularities. The Policy provides details for direct access to the Chairman of the Audit Committee. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. The detailed Policy on Whistle Blower/Vigil Mechanism as approved by the Board may be accessed from the Company's website at the link: www.sportking.co.in

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

In compliance of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace.

The Company is committed to providing a safe and conducive work environment to all its employees and all women employees whether permanent, temporary or contractual are covered. During the year under review, no complaints were reported to the Board.

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed.
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on 31st March, 2023.
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors had prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls were adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. AUDITORS AND THEIR REPORT**STATUTORY AUDITORS**

The Members of the Company in their Annual General Meeting held on 30th September, 2022 had re-appointed M/s. SCV & Co, LLP, Chartered Accountants (Firm registration No. 000235N/N500089) as Statutory Auditors of the Company for a further period of five years from the conclusion of forthcoming Annual General Meeting till the conclusion of the 38th Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

The Statutory Auditors of the Company had submitted Auditors' Report on the accounts of the Company for the Financial Year ended 31st March, 2023. There is no audit qualification reservations or adverse remarks or disclaimer in the said financial statements. The comments in the Auditors' Report read with Notes to Accounts are self-explanatory and do not call for any further explanation.

SECRETARIAL AUDITORS

M/s Sunny Kakkar and Associates, Company Secretaries (FCS NO – 10111, CP NO-12712) have carried out the Secretarial Audit for the Financial Year ended March 31, 2023 and their Secretarial Audit Report in Form No. MR-3 is annexed herewith as “**Annexure C**”. There is no audit qualification, reservations or adverse remarks or disclaimer in the secretarial audit report during the year under review.

The Board, pursuant to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s Sunny Kakkar and Associates, Company Secretaries (FCS NO – 10111, CP NO-12712) as Secretarial Auditor to conduct Secretarial Audit for the Financial Year 2023-24.

COST AUDITORS

M/s R.R. & Company, Cost Accountants had submitted Cost Audit Report along with Annexure for the Financial Year ended 31st March, 2023. There is no a qualification reservation or adverse remarks or disclaimer in the said report.

The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s R.R. & Company, Cost Accountants, (Firm Registration No. 000323) as Cost Auditor to audit the cost accounts of the Company's for the Financial Year 2023-24. As required under provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the AGM for their ratification.

21. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the Financial Year 2022-23 has been uploaded on Company's website at www.sportking.co.in.

22. LISTING OF SECURITIES

The National Stock Exchange of India Limited (NSE) has granted the listing approval for 13287200 Equity Shares (face Value of Rs. 10/- each) each vide their letter No. NSE/LIST/92 dated 22nd August, 2022. The Equity shares of the Company are now also listed and admitted to dealings on the National Stock Exchange w.e.f. 24th August, 2022.

The fully paid up 13287200 Equity Shares (face Value of Rs. 10/- each) of the Company are listed on Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India Limited (NSE) for trading as on 31.03.2023. The Company has also paid the listing fees for financial year 2023-24 to BSE and NSE.

23. ENVIRONMENT AND SAFETY

The Company is conscious of importance of environment clean and safety operations. The company conducts operation in such a manner as to ensure safety of all concerned, compliances of environmental regulations and prevention of various natural resources. The Company has successfully completed the commissioning of 10.2 MW Rooftop Solar Power Project at Bathinda Unit and is in the process of implementation of additional 15 MW Rooftop Solar Power Project at it Bathinda and Ludhiana Unit for captive power consumption which will reduce greenhouse gas emissions and reduced Company's dependency on external sources.

24. PUBLIC DEPOSITS:

The Company has not raised any deposits from the public. Hence, the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to acceptance of deposits from public are not attracted.

25. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings & outgo is given in “**Annexure-D**” of this report.

26. PARTICULARS OF EMPLOYEES

The disclosures in respect of managerial remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5 (2) and 5 (3) Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in “**Annexure E**” of this report.

27. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING(BRSR)

As stipulated under Regulation 34(2)(f) of the SEBI Listing Regulations, 2015, with effect from the Financial Year 2022–23, the top one thousand listed entities based on market capitalization shall submit a Business Responsibility And Sustainability Report(BRSR) in the format as specified by the Board from time to time.

We would like to inform you that Company has been included in the list of top 1000 listed companies by National Stock Exchange of India Limited on the basis of market capitalization as on 31st March, 2023 as per the list released by them in Current FY 2023-24. Accordingly, the Company has attached the Business Responsibility and Sustainability Report (BRSR) Reporting as per “Annexure F ” and forms part of this Annual Report.

28. CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Senior Manager Personnel in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company’s website

The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and all Senior Manager Personnel in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

29. CORPORATE GOVERNANCE

The Corporate Governance, which forms an integral part of this Report, are set out as separate Annexure, together with the Certificate from the Practicing Company Secretary regarding compliance with the requirements of Corporate Governance as stipulated in regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

30. GENERAL DISCLOSURES

According to Board of Directors, there were no disclosure or reporting required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to issue of equity shares with differential voting rights as to dividend, voting or otherwise.
2. Significant or material orders passed by the regulators or courts or tribunals which impact the going concern status and Company’s operation in future.
3. No Change in the nature of the Business.
4. No fraud has been reported by the Auditors to the Audit Committee.
5. During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

31. CAUTIONARY STATEMENT

Statements in this Directors’ Report and Management Discussion and Analysis Report describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company’s operations include raw material availability and its prices, cyclical demand and, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors

32. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the co-operation from the Bankers, Financial Institutions and Government Bodies & Business Associates and also seek their co-operation in future too. Your Directors also record their appreciation of the services rendered by the employees of the Company.

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

**(Munish Avasthi)
Chairman & Managing Director
DIN: 00442425**

**Place: Ludhiana
Date: 22.07.2023**

**Regd. Office:
Village Kanech, Near Sahnewal
GT Road, Ludhiana-141120 (Punjab)**

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

The Equity Shares of the Sportking India Limited (SIL or the Company) are listed on BSE Ltd. The Securities and Exchange Board of India vide SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended which requires top one thousand listed entities based on market capitalization (calculated as on 31st March of every financial year) to formulate a dividend distribution policy, which shall be disclosed in their annual reports and on their websites.

The Company being amongst top 1000 BSE listed entities for the year ended March 31, 2022, is required to formulate policy on dividend distribution to comply with these requirements.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Company has one kind/class of equity share capital and issued another kind/class of preference share capital. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue. However this policy is applicable only to Equity Shares. In case of issue of new class of shares in the future, the policy will be reviewed accordingly.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ("the Policy") which endeavors to enhance stakeholder value for its investors and at the same time tries to ensure the right balance between the quantum of dividend paid and the amount retained for various business purposes.

PURPOSE:

The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business/ the Board will refer to the Policy while declaring/ recommending dividends on behalf of the Company.

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration to be approved by the shareholders in their meeting and its pay-out by the Company as per the provisions of the Companies Act 2013 which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

FORMS OF DIVIDENDS

Interim Dividend

The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit.

Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the Annual General Meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Special Dividend

The Board may declare/recommend special dividend as and when it deems fit.

INTERNAL/FINANCIAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

- The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to be considered by the Board before taking a dividend decision and to decide on the quantum of dividend.

- The Board will analyze the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company. The viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or by ploughing back its own funds, will impact the dividend decision.
- In case of inadequate operating cash flow, the Company may need to rely on outside funding to meet its financial obligations. Thus, the Board will consider the operating cash flows before its decision whether to declare dividend or retain its profit.
- The efficiency with which the Company uses its capital will impact the decision of dividend declaration.
- The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered by the company with the lenders of the Company from time to time. The covenant of debt shall be considered by the board, while declaring the dividend. Before declaring any dividend, the board will ensure that the debt covenants are complied by the Company.
- Considering the state of economy in the country the policy decisions that may be formulated by the Government and other conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the Management may consider retaining an appropriate amount of profits to meet unforeseen circumstances. The first & foremost consideration of the business will be to maintain solvency even in times of adversity and to protect the Company from all threats that emanate from changes in the social and political order.
- Dividend distribution tax or any tax deduction at source as per the applicable tax regulations in India will be duly complied with by the company at the time of declaration of dividend. Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend,
- In case the board decides to buy back the shares or allots the bonus shares, the quantum of dividend may be impacted on account of distribution of profits/accumulated profit for the buyback/ allotment of bonus equity shares of the Company, in compliance of the provisions of the Companies Act, 2013 & SEBI.
- In case the board issue of bonus shares, the quantum of dividend may be impact on account of distribution of profits/accumulated profit for issuance of bonus equity shares of the Company, in compliance of the provisions of the Companies Act, 2013 & SEBI.
- The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.
- Regulations, Any Corporate Actions resulting in a significant allocation of capital for the Company may also impact the dividend decision and quantum of dividend.

UTILISATION OF RETAINED EARNINGS

The Company aims in ensuring sustainable wealth creation for its shareholders and with this objective, would utilize the retained earnings of the Company in a manner in which it is beneficial to Company as well as its stakeholders. The Company would aim at achieving the right balance between the distribution of retained earnings among the shareholders and utilization of the same for meeting other requirements, including expansions. The Board will endeavor to maintain a reasonable dividend pay-out of the Company's profit after tax on standalone financials (other than extraordinary income).

PERIODIC REVIEW

- This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or other regulatory authority, from time to time, on the subject matter.
- The Board reserves the right to review this policy on periodical basis, considering various external and internal factors.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 30.04.2022.

CSR ACTIVITIES
For Financial Year Ended 31st March, 2023
(Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and its amendment)
1. A brief outline of the company's CSR Policy.

- To formulate and recommend to the Board, a Corporate Social responsibility (CSR) Policy indicating activities to be undertaken by the company in compliance with the provisions of the Companies Act, 2013 and rules made thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR policy of the company from time to time.

The detailed policy of the company on corporate social responsibility is available at Company's website www.sportking.co.in.

2. The Composition of the CSR Committee.

The Members of the Corporate Social Responsibility (CSR) Committee which is as under:

Sr. No.	Name of the Director	Designation	Category	Numbers of Meetings of CSR held during the year	Number of Meeting of CSR committee attended during the year
1.	Mr. Munish Avasthi	Chairman	Executive Promoter Director	1	1
2.	Mr. Raj Kumar Avasthi*	Chairman	Executive Promoter Director	1	NA
3.	Mr. Naresh Kumar Jain**	Member	Executive Non Promoter Director	1	1
4.	Dr. Sandeep Kapur	Member	Non-Executive Independent Director	1	1

* Due to sudden demise, Mr. Raj Kumar Avasthi, ceased to be part of member of committee w.e.f 23.07.2022.

** Mr. Naresh Kumar Jain was appointed as a member of the Committee w.e.f 03.09.2022.

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company www.sportking.co.in
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable- **Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

Amount (In Rs.)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set- off for the financial year, if any
1.	2022-23	Rs. 59.20 Lakhs	Rs. 59.20 Lakhs

- Average net profit of the Company as per section 135(5)- **Rs. 22789.30 Lakhs**
- Two percent of average net profit of the Company as per section 135(5)- **Rs. 455.79 Lakhs**
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **Nil**
 - Amount required to be set off for the financial year, if any- **Rs. 59.20 lakhs**
 - Total CSR obligation for the financial year (7a+7b- 7c) - **Rs. 396.59 lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
Rs. 448.35 Lakh	Nil	NA	NA	Nil	NA

 (b) Details of CSR amount spent against ongoing projects for the financial year: **Nil**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No).	Mode of implementation –Through implementing agency.
1.	Contribute towards Eradication of poverty	Eradicating Poverty	Yes	Bathinda/Ludhiana	162.98	Direct	NA
2.	Contribute towards Preventive and curative health services in communities	Promoting Healthcare	Yes	Bathinda/Ludhiana	20.60	Direct	NA
3.	Contribute towards Rural Development	Rural Development	Yes	Ludhiana	21.33	Direct	NA
4.	Contribute towards development of Infrastructure of Village School	Community Welfare	Yes	Ludhiana	3.04	Direct	NA
5.	Contribute towards Eradication of poverty	Eradicating Poverty by distributed Clothes	No	Jammu	171.49	No	Through Bharat Vikas Parishad, Delhi (CSR-CSR0000558)
6.	Contribute towards Eradication of poverty	Eradicating Poverty by distributed Clothes	Yes	Bathinda	6.33	No	Through Red Cross Society (CSR-CSR00028482)
7.	Contribute towards Eradication of poverty	Eradicating Poverty by distributed Clothes	Yes	Ludhiana	62.57	No	Through Vidya Charitable Society (CSR-CSR00014790)

 (d) Amount spent in Administrative Overheads: **NIL**

 (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 448.35 Lakhs**

(g) Excess amount for set off, if any:

Sr No	Particular	Amount (In Rs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 455.79 lakhs
(ii)	Total amount spent for the Financial Year	Rs. 448.35 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(Rs. 7.44 Lakhs)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Rs. 59.21 Lakhs
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs 51.76 lakh

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **None**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**
12. **A responsibility statement of the CSR Committee:** The CSR Committee hereby confirms that the implementation and monitoring of CSR policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and the policy of the Company.

Place: Ludhiana
Date: 22.07.2023

Munish Avasthi
Chairman of CSR Committee

ICSI UDIN: F010111E000660156

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,
The Members,
Sportking India Limited
CIN:- L17122PB1989PLC053162
Village Kanech, Near Sahnewal,
G.T Road, Ludhiana -141120, Punjab.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices adopted by **Sportking India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Auditors Responsibility:

Based on our verification of the Company's books, papers, minute books, forms, E-forms, websites and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, approvals, licenses, forms includes E-forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment(ODI) and External Commercial Borrowings(ECB); **(Not Applicable for the period under review)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India(Listing obligations and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**(Not Applicable for the period under review)**;
- (viii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not Applicable for the period under review)**;
- (ix) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (x) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not Applicable for the period under review)**;
- (xi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2).
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the Period under review the company has complied with all provisions of the Act, Rules, Regulations, Guidelines and Standards except there is one day delay in filling of Related Party Transaction Report under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (xii) We have relied on the representation made by the Company & its Officers for the system and mechanism formed by the Company for its Compulsory Certificates, Registrations and various compliances filed by the company under applicable Acts as Environmental Laws & Labour Laws as per List attached herewith.

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

The Board of Directors of the Company is constituted with proper balance of Executive, Non-Executive and Independent Directors and women director.

Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.

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

That the Company has proper Board-processes and compliance mechanism.

Specific Event:-

- Due to sudden demise, Mr. Raj Kumar Avasthi, Former Chairman and Managing Director of the Company ceased to be part of Board of Directors of the Company w.e.f 23.07.2022.
- Board of directors in their meeting held on 23rd July 2022 approved the redemption of **31,85,200**, 5% Non-Convertible Non-Cumulative Redeemable Preference Shares.
- As per provisions of Article of Association of the Company the Board of Directors in their meeting held on 03.09.2022 has appointed Mr. Munish Avasthi (DIN:00442425) as Chairman of the Board and shall also preside as Chairman at all the general meetings of members of the company.
- Board of Directors in their meeting held on 03.09.2022 had appointed Mrs. Anjali Avasthi (DIN: 06911970) as an Additional Director (Non Independent Non Executive) of the Company and her appointment was regularized in the Annual General Meeting held on 30th September 2022.
- Mr. Parveen Kumar Gupta, completion of his term of service was ceased to be CFO and KMP of the Company w.e.f 03.10.2022 and Board appointed Mr. Sandeep Sachdeva as CFO and KMP of the Company w.e.f. 21.03.2023.
- The Board of Directors in its meeting held on 28.01.2023 had approved the Buyback of 5,80,000 shares on proportionate basis not exceeding 10% of the paid up share capital and free reserves as per the latest audited financial statements to the existing shareholders of the Company.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations, guidelines, standards etc.

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

**For :- M/S SUNNY KAKKAR & ASSOCIATES.
COMPANY SECRETARIES**

**DATE: 22/07/2023
PLACE- KHANNA
UDIN: F010111E000660156**

**Prop : CS SUNNY KAKKAR
FCS, LL.B, B.COM
FCS NO – 10111, CP NO-12712**

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

LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING THE AUDIT PERIOD;-

List of Labour Laws:-

Factories Act ,1948.
Industrial Disputes Act,1947.
Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
Employee's State Insurance Act,1948.
The Minimum wages Act ,1948
The Payment of Bonus Act ,1972.
Payment of Gratuity Act ,1972.

List of Environmental Laws:-

Environment (Protection) Act, 1986.
Air (Prevention & Control of Pollution) Act, 1981.
Water (Prevention & Control of Pollution) Act, 1974.

ANNEXURE A

To,
The Members,
Sportking India Limited
CIN:- L17122PB1989PLC053162
Village kanech, Near Sahnewal,
G.T Road, Ludhiana -141120, Punjab.

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. As per the information provided by the Company, there are certain disputes cases filed by or against the Company, which are currently lying pending with the various Courts and Tribunals and tax authorities. However, as informed, these cases have no major impact on the Company.

For :- M/S SUNNY KAKKAR & ASSOCIATES.
COMPANY SECRETARIES

DATE: 22/07/2023
PLACE- KHANNA
UDIN:- F010111E000660156

Prop : CS SUNNY KAKKAR
FCS, LL.B, B.COM
FCS NO – 10111, CP NO-12712

ANNEXURE D

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2023.

1. Conservation of Energy

The Energy is an important contributing factor in yarn manufacturing thus its saving is given utmost priority by the organization and thus continual work is being carried out in the year where much small initiative has been taken across the organization such as Installation of Energy Efficient spindles, Fitted Inverter Kit in Ring Frame and Maintaining unity power factors along with Inverter Drive fitting on Conventional Dyeing machines resulting Energy saving and reduction in mechanical breakdowns. Further the company is in process of installation of 15 MW Solar Power Plant which will help in saving power cost.

(FORM A)

A Power & Fuel Consumption

		2022-23	2021-22
i)	Electricity		
a)	Purchased Units (Kwh.) Amount (Rs.) Rate Per Unit (Rs.)	196404730 1145131272 5.83	201013768 1162833006 5.78
b)	(Through Generator)		
	Units (Kwh)	92520	147551
	Amount (Rs.)	2229158	3774487
	Cost per unit (Rs.)	24.09	25.58
ii)	Coal / Pet coke		
	Qty. (Kgs.)	2127097	2269248
	Amount (Rs.)	44324150	35719639
	Rate per unit (Rs.)	20.83	15.74
iii)	Furnace Oil	NIL	NIL
iv)	Rice Husk	NIL	NIL
	Qty. (Kgs.)	NIL	NIL
	Amount (Rs.)	NIL	NIL
	Rate per unit (Rs.)	NIL	NIL
v)	Other/internal Solar Generation	10492362	NIL

B) Consumption per Unit of production

i)	Electricity (Kwh/Kg. of Product)	3.18	3.36
ii)	Coal and Rice Husk	0.03	0.04
iii)	Furnace	NIL	NIL
iv)	Others/Internal Generation	NIL	NIL

2. Technology Absorption

Efforts made in Technology Absorption are furnished in **Form B** as under:

A. Research and Development

i) Specific Areas in which Research & development is carried out by the Company: Research & Development is carried out for continual improvement in product quality thereby setting benchmarks for quality and better realization to customer by optimum utilization of available resources. Product Development is a continuous exercise of the organization and contamination free yarn, Organic Cotton, Other fibre dyed products, Jaspe Yarn in Poly Cotton Grey, 100% Polyester Fibre Dyed, Injection Yarn, Low Pill Super Soft yarn, Polyester Acrylic and their Blends, Multifibre Polyester Acrylic Modal Blended Yarn having different dye absorption behaviour resulted in to high fashion garments usage and creating value addition to both.

ii) Benefits derived as a result of Research & Development:

- a) Enlargement of market base with new products.
- b) Quality improvement, customer satisfaction.
- c) Cost reduction, productivity & efficiency enhancement.
- d) Enhanced capacity to cater for higher volume to foreign customers.

iii) Future Course of Action:

- A. Productivity enhancement of Spinning Machines
- B. Development of new products
- C. Investment in R & D

iv) Expenditure on Research & Development:

The capital as well as revenue expenditure incurred on Research & Development activities has been shown under the respective heads of Plant & Machinery and Consumable Stores of Annual Accounts and it is not possible to segregate the same.

B. Technology Absorption, Adaptation and Innovation:

i) Efforts Made:

- a. Installation of 10.2 MW Solar Power Plant at our Bathinda Unit.
- b. Optimization of H-plant during winter season.
- c. Installation of Energy efficient spindles
- d. Implementation of zero waste water policy .
- e. Modification in OHTC make Sara Elgi for door string strip (metal) and uses old flat belts

ii) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc.:

Use of the latest developed techniques has enabled the company to improve the quality of yarn, launch of new products and reduction of cost of production.

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

NOT APPLICABLE

3. Foreign Exchange Earnings and Outgo:

The company continued its efforts to develop export markets throughout the year and has got adequate response from various customers worldwide. The company has earned foreign exchange of Rs 1002.32 Crs by export of its products. The outgoes of foreign exchange is Rs 265 Crs, being the CIF value of imports of raw materials.

Particulars of Employees and Related Disclosures

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23 are as under:

Sr. No.	Names of the Directors/ KMP	Designation	Remuneration of the financial year 2022-23 (Rs. In Lacs)	Ratio of Directors/KMP remuneration to Median remuneration	% increase in the Remuneration in the Financial year 2022-23
I Executive Directors					
1	Mr. Raj Kumar Avasthi (Refer Note)	Chairman-cum-Managing Director (Ceased)	93.25	NA	NA
2	Mr. Munish Avasthi	Chairman-cum-Managing Director	234.09	170.82	Nil
3	Mr. Naresh Kumar Jain	Executive Director	20.70	15.11	Nil
II Non-Executive Directors					
4	Dr. Sandeep Kapur	Independent Director	0.60	0.42	-
5	Mr. Prashant Kochhar	Independent Director	0.50	0.36	-
6	Mrs. Harpreet Kaur Kang	Independent Director	0.30	0.41	-
III Key Managerial Personnel					
7	Mr. Parveen Kumar Gupta (Refer Note)	Chief Financial Officer (Retired)	13.81	NA	NA
8.	Mr. Sandeep Sachdeva (Refer Note)	Chief Financial Officer	0.99	NA	NA
9.	Mr. Lovlesh Verma	Company Secretary	7.43	5.42	30.12

Notes

- Due to sad demise of Mr. Raj Kumar Avasthi on 23.07.2022, he ceased to a Chairman and Managing Director of the Company on same date.
- Mr. Parveen Kumar Gupta on completion of his term of service was ceased to be CFO and KMP of the Company w.e.f. 03.10.2022.
- Board appointed Mr. Sandeep Sachdeva as CFO and KMP w.e.f. 21.03.2023. Further remuneration of Mr. Sandeep Sachdeva (CFO) for FY 2022-23 cannot be compared with previous FY as he received remuneration for only few days.
- There were 5655 permanent employees and worker (excluding Apprentice/Trainee) the rolls of Company as on March 31, 2023.
- The median remuneration of employees of the Company during the financial year 2022-23 was Rs 137040/-
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2022-23 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Employee Group	% increase made in the Salaries
White Collar	12.00%
Blue Collar	
- Monthly Wagers	10.00%
- Daily Wagers	6.50%

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

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

Name of the Employee	Designation	Remuneration (Rs. In Lacs)	Nature of Employment	Qualification	Experience (Years)	Joining Date	Age	Previous Employment	% of Equity Shares held	Relationship with Director
Shiv Kumar Sharma	President	36.49	Permanent	B.Tech	35	22.08.2013	59	Birla Textiles Indonesia	Nil	No
Rashim Jindal	President (Marketing)	23.67	Permanent	MBA	31	09.09.2004	53	Vardhman Spinning and General Mills Limited	Nil	No
D.S. Yadav	Vice President (H.R.)	23.59	Permanent	MSW	34	02.07.1997	57	Pashupati Spinning and Weaving Mills Limited	Nil	No
Rajender Pal	GM - HR & Admin	20.89	Permanent	MBA (HR) , MSW	37	08.09.2017	57	Vardhman Polytex Limited	Nil	No
R.P. Gupta	EA to MD	19.59	Permanent	Master of Textile Technology	37	16.09.2014	59	Thai Acrylics Fibre, Thailand	Nil	No
Jagjeet Kumar Marwaha	GM	19.52	Permanent	B.Tech	34	10.01.2010	57	Nahar Spinning Mills Limited	Nil	No
Shaji John	AVP	18.77	Permanent	B.Tech (Textiles)	33	12.03.2013	60	Ginni Filaments Limited	Nil	No
Ashok Ahuja	SR. GM	18.64	Permanent	B.Tech (Textile)	36	19.08.2010	59	Orient Syntex Limited	Nil	No
Abhay Rastogi	GM	18.63	Permanent	B.Tech	34	17.04.1998	57	Malwa Cotton Spinning Mills	Nil	No
Naresh Kumar Behl	GM	17.59	Permanent	Master of Education	38	04.11.2012	58	JCT Limited	Nil	No

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES:

I. Details of the Listed Entity:

1.	Corporate Identity Number	L17122PB1989PLC053162
2.	Name of the Listed Entity	Sportking India Limited
3.	Year of incorporation	1989
4.	Registered office address	Village Kanech, Near Sahnewal, GT Road, Ludhiana-141120
5.	Corporate address	Village Kanech, Near Sahnewal, GT Road, Ludhiana-141120
6.	E-mail	cs@sportking.co.in
7.	Telephone	0161-2845456
8.	Website	www.sportking.co.in
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd National Stock Exchange of India Limited
11.	Paid-up Capital (INR)	201192000
12.	Name and contact details (telephone, email address) of the person whom may be contacted in case of any queries on the BRSR report	Mr. Lovlesh Verma Company Secretary & Compliance Officer Email Address: cs@sportking.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made under this report are on standalone basis.

II. Products/services:

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing of Cotton/ Polyester Cotton Blended Yarn / Synthetic Yarn	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1.	Textiles	131	100%

III. Operations:

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	3 (Offices are at Plant Premises)	3
International	Nil	Nil	Nil

17. Markets served by the entity:
a. Number of locations:

Locations	Number
National (No. of States)	19 States
International (No. of Countries)	More than 30

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contributes around 47% of the total turnover of the entity.

c. A brief on types of customers:

In domestic markets, we are selling majority of Product through our dealers. Our exports go to more than 30 countries. For export of its product, Company is working directly as well as through Agents with the overseas customers.

IV. Employees
18. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S. NO.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	515	496	96.31%	19	3.69%
2.	Other than Permanent (E)		Nil			
3.	Total employees (D+E)	515	496	96.31%	19	3.69%
WORKERS						
4.	Permanent(F)	5140	2869	55.82%	2271	44.18%
5.	Other than Permanent(G)		Nil			
6.	Total workers (F+G)	5140	2869	55.82%	2271	44.18%

b. Differently abled Employees and workers:

S. NO.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent(D)	-	-	-	-	-
2.	Other than Permanent(E)	-	-	-	-	-
3.	Total differently abled employees (D+E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	19	17	89.47%	2	10.53%
5.	Other than permanent (G)	-	-	-	-	0.00%
6.	Total differently abled workers (F+G)	19	17	89.47%	2	10.53%

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	2	33.33%
Key Management Personnel*	3	0	0.00%

*Key Managerial Personnel are as defined under section 203(1) of the Companies Act, 2013 (KMP).

The above information pertains only to the Company as at 31st March, 2023.

20. Turnover rate for permanent employees and workers:
(Disclose trends for the past 3 years)

	FY2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.07	5.40	18.56	14.50	17.64	14.61	7.95	18.18	8.31
Permanent Workers	74.52	60.23	68.32	75.15	57.84	67.79	63.43	58.81	61.41

V. Holding, Subsidiary and Associate Companies (including joint ventures):
21. (a) Names of holding/subsidiary /associate companies/joint ventures:

S No.	Name of the holding/ subsidiary/ associate companies / joint ventures(A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity?(Yes/No)
	Nil	N.A.	Nil	N.A.

VI. CSR Details:
22.

(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
(ii)	Turnover (in Rs.)	220502.30 Lakhs
(iii)	Net worth (in Rs.)	89971.32 Lakhs

VII. Transparency and Disclosures Compliances:
23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web –link for grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaint pending resolution at close of the year	Remarks	Number of Complaints filed During the year	Number pending resolution at close of the year	Remarks
Communities	Yes, the complaints of the communities are redressed on a one-to-one basis and the medium of communication is in-person meetings	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes, the complaints are received by mail and forwarded to the respective departments meant to solve.	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes. Company's Registrar & Transfer Agent, M/s. Beetal Financial & Computer Services Pvt Ltd., looks after all the grievances/enquiries/queries of Shareholders/ Investors. There is a dedicated e-mail address of the Company viz cs@sportking.co.in for escalating unresolved investor grievances. Further shareholder has option to raise their concern/complaint through SEBI registered SCORES portal.	23	Nil	Fully Resolved	18	0	Fully Resolved

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web –link for grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaint pending resolution at close of the year	Remarks	Number of Complaints filed During the year	Number pending resolution at close of the year	Remarks
Employees and workers	Yes, the grievance of the employees and workers are redressed through emails, or open forum meetings	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes. Customers address their grievances through e-mail on rashimjindal@sportking.co.in or quick contact placed on Company's website: www.sportking.co.in	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes. Value Chain Partners can raise their grievances by writing to the concerned functional head or location head. The same is attended promptly by the concerned head	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	NA	Nil	Nil	Nil	Nil	Nil	Nil

24. Overview of the entity's material responsible business conduct issues:

The material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as under:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications Of the risk or opportunity (Indicate positive or negative implications)
1.	Roof top Solar Power Plant to save on electricity/power cost.	Opportunity	In FY 2021-22 the Company had successfully commissioned 10.2 MW Solar Power Plant at its Bathinda Unit. Further In endeavour to contribute to the environment, company in process of implementation of additional 15 MW Rooftop Solar Power Project which likely to be commissioned by September 2023.	NA	Positive Implications
2.	Supply of Good quality raw cotton at reasonable prices.	Risk	The raw cotton, is the main raw material for the manufacturing of yarns but it is dependent on the forces of nature i.e. Monsoon. Any change in the monsoon may impact the cotton crop, prices as well as the farming community.	Strategic Purchases along with Import the raw cotton from the overseas countries as per requirement.	Positive Implications

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications Of the risk or opportunity (Indicate positive or negative implications)
3.	Environmental Footprint-Water Management	Risk	Water forms an indispensable part of company operations as well as the Community. Due to climate change, we may face an increase in extreme weather events, leading to resource shortages from drought-like situations and extreme heat wave.	Employee education for saving water and making efficient use of water in unit. Effluent Treatment plant (ETP) and Sewage Treatment Plant Rainwater harvesting at all plant	Positive Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES:

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Mandatory Polices are available on the Company's website at www.sportking.co.in								
2. Whether the entity has translated the policy into procedures.(Yes /No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trust) standards (e.g.SA8000,OHSAS,ISO,BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> • GLOBAL ORGANIC TEXTILE STANDARD 6.0 • OEKO-TEX STANDARD 100 • ORGANIC CONTENT STANDARD 3.0 (OCS3.0) • GLOBAL RECYCLED STANDARD (GRS) - VERSION 4.0 • ISO 9000: 2015 • Better Cotton Initiative • Fair Trade • CMIA Certificate • INDITEX Certificate 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Though not set any such specific commitment goals, we continue to adhere all the guiding principles.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

Governance, leadership and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):																		
We are dedicated to promoting community efforts that drive improvements in rural development and women empowerment We prioritize the conservation of natural resources and improving operational efficiencies to minimize our environmental footprint. We aim to build resilience in our business and among our stakeholders, and we monitor our activities and their environmental and social impacts to ensure that we create value for all stakeholders.																		
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).										Name: Mr. Munish Avasthi Designation: Chairman and Managing Director DIN: 00442425								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.										Yes, The Risk Management Committee and the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company evaluate the sustainability related issues from time to time.								
10.Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency(Annually/Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/ respective committees and placed before the Board of Directors as and when required. In the assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Board of Directors reviews the Statutory Compliances on applicable laws.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	No								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable																		
Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Not applicable								
The entity does not consider the Principles material to its business (Yes/No)																		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																		
The entity does not have the financial or/human and technical resources available for the task (Yes/No)																		
It is planned to be done in the next financial year (Yes/No)																		
Any other reason (please specify)																		

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
Essential Indicators
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of Training and awareness programmes hold	Topics/Principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	The Company conducts familiarization programmes for its Board of Directors at for discussing various topics such as Corporate Governance, changes in industry scenario, Corporate Social Responsibility, Business Growth and sustainability and various other regulatory updates.	100%
Key Managerial Personnel	1	The Company conducts familiarization programmes for its KMP for discussing various topics such as Corporate Governance, changes in industry scenario, Corporate Social Responsibility, Business Growth and sustainability and various other regulatory updates.	100%
Employees other than BOD and KMPs	31	The Employee was given sessions on health & safety, Conservation of Water & Energy, and skill development programme.	59%
Workers	45	The Workers were given sessions on health & safety, Conservation of Water & Energy, Training with regard to operation of Fire Fighting Equipment's, Machine Operating Training, Mock Drill and Prevention of Sexual Harassment (POSH) at workplace.	80%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?(Yes/No)
Penalty/Fine	No Material Penalty imposed on the company.				
Settlement	Nil				
Compounding fee	Nil				
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?(Yes/No)
Imprisonment	Nil				
Punishment	Nil				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Code of Conduct and Vigil Mechanism/ Whistle Blower Policy covers anti-corruption or anti-bribery related requirements.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No such action taken during the FY 2022-23 and FY 2021-22

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
No. of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
No. of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines /penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under training	%age of value chain the partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, we have processes in place to avoid and manage conflict of interests involving members of the Board. The company has a "Code of Conduct for Board of Directors" that follows the full process as prescribed under SEBI LODR and Companies Act, 2013. The code of conduct requires Directors/Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe:

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY 2023	FY 2022	Details of improvements in environmental and social impacts
R&D	R & D process done at Units are for process improvement. There is no R&D investment made in the area to improve the environmental and social impacts of product and processes.		
Capex	7.13%	Nil	Installation of Solar Power Plant

2. a. Does the entity have procedures in place for sustainable sourcing?

We have a dedicated raw cotton department to monitor raw cotton availability and its price fluctuations. Our cotton selector visit different cotton growing areas and their strategies enable us to help in procurement of better / sustainable cotton.

b. If yes, what percentage of inputs were sourced sustainably?

Our major raw material is cotton for which we use the best quality cotton as per buyer's requirement, Further we procure sustainable cotton about 17% from certified vendors who are compliant with social and environmental standards.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company has installed Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) for in house treatment of process/ domestic waste water which is disposed in to its own land for plantation purpose as per the norms of regulatory authorities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Company is responsible for safe disposal of the waste generated during the production process. The residual waste of treated water is sent to an authorized recycler approved by respective State Pollution Control Board (SPCB) and the Central Pollution Control Board (CPCB).

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No Life Cycle Assessment has been carried out for any product of the Company.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount(in metric tonnes) reused, recycled, and safely disposed of:

Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Not Applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains:

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of Employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	496	Covered through ESI and some employees who are exempted from ESI are covered under employee's Group insurance policy.	496	100%	NA	NA	NA	NA	NA	NA	Have creches in all units
Female	19		19	100%	19	100%	NA	NA			
Total	515		515	100%	19	100%	NA	NA			

Category	% of Employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent Employees											
Male	Nil										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	2869	Covered through ESI.	2869	100%	Covered through ESI.		NA	NA	Have creches in all units		
Female	2271		2271	100%			NA	NA			
Total	5140		5140	100%			NA	NA			
Other than Permanent Workers											
Male	Nil										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous FY:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	66.67%	99.35%	Y	65.60%	99.50%	Y

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

All the premises / offices of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

We do not have an exclusive policy, but the Company is committed for an equal opportunity to employees and values them irrespective of gender, marital status, sexuality, race, ethnic or national origin, colour, political or religious belief, disability or age. However but the company doesn't discriminate anyone based on their disabilities.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Female employees covered under ESI is entitled for six months maternity leave and during the said period full salary is paid and on completion of maternity leave they resume their duty.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	1. The employees may specify their grievance to their head and they also have the option of raising a grievance directly to the HR head. 2. The Company has established a whistle blower policy/vigil mechanism to address the issues relating to ethics, bribery, corruption, sexual harassment or any discrimination of permanent employees and other than permanent employees. For this purpose the Company has a dedicated e-mail id i.e. cs@sportking.co.in 3. The company's Vigil mechanism empowers the employees and other stakeholders who have concerns about suspected misconduct, unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or ethics policy, to come forward and express their concerns without fear of punishment or unfair treatment. 4. The company has also established Grievance Committee. The employees and workers can address their grievances to the committee. 5. The Company is committed to providing a safe and conducive work environment to all its employees and all women employees whether permanent, temporary or contractual and in this regard as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

The Company has no such Association/ Union. However, the Company recognises the right to freedom of Association.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill up gradation		Total (D)	On Health and safety measures		On Skill up gradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	496	-	-	496	100%	460	-	-	460	100%
Female	19	-	-	19	100%	17	-	-	17	100%
Total	515	-	-	515	100%	477	-	-	477	100%
Workers										
Male	2869	2869	100%	2869	100%	2640	2640	100%	2640	100%
Female	2271	2271	100%	2271	100%	1939	1939	100%	1939	100%
Total	5140	5140	100%	5140	100%	4579	4579	100%	4579	100%

Note: The above data did not include Apprentice/Trainee.

9. Details of performance and career development reviews of employees and worker:

100% of employees/workers have received performance and career development reviews.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, Keeping in view the nature of the Industry, the Company has well defined Occupational health and Safety Policy and supporting processes to ensure the safety and well-being of its employees and workers Additionally, trainings are conducted to build awareness about occupational health and safety.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The company is engaged in the manufacturing of yarns. The company identifies the occupational health and safety risks, for its business activities, processes, products or services and assess the risk on routine basis. Based on the assessment we follow hierarchy of controls to be implemented.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.**

Yes. Workers/Employees from lower to higher hierarchy can at any time report genuine concerns to management. The company investigate and takes necessary corrective actions so that such incident could be eliminated.

- d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services?**

Yes

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company always make efforts to provide a safe, productive and positive environment for employees/workers. The Company has also taken several measures to prevent and mitigate significant occupational health & safety impacts which are given hereunder:

- Provision and maintenance of fire detection, alarm and suppression systems.
- Regular site review, inspections and audits to assess safety preparedness.
- Employee engagement campaigns on health & safety topics such as fire safety, road safety, emergency evacuation etc.
- Regular meetings and training, educating workers and employees regarding safety and healthy workplace.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of locations covered through internal audits
Working Conditions	NA

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

No significant risks or incident had occurred.

Leadership Indicators
1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees- Yes

(B) Workers - Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

The Company timely discuss with the value chain partners with regard to timely deduction and deposit of statutory dues with the Authority as per applicable laws, rules and regulations. In case of any difficulty by the value chain partner, they can approach the Company for help.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil		No high consequence of work related injuries	
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Since inception, the Company has not undertaken any retrenchment of employees owing to business exigencies or employees not having the requisite skills to do the required job. Skilling up gradation of all employees remains a continuous activity in the Company.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company has mapped its internal as well as external stakeholders to deepen its insights into their needs and expectations and to develop sustainable strategies for the short, medium and long term. Key stakeholders of the Company are Shareholders/ Investors, Government and Regulators, Employees, Customers, Bankers/ Financial Institutions and Suppliers. The given stakeholder groups have the immediate impact on the operations and working of the company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees/ Workers	No	Inter Office Memo, one-to-one counselling, training programmes, Emails, Meetings.	Ongoing	To boost the morale and to motivate them and to convey any information required to convey.
Vendors		Vendor Meetings, Calls, emails, seminars, exhibitions.	Ongoing	To develop stronger relationship with the Vendors and to ensure regular supply of material in time.
Customers		Website, Email, Customer visits, Calls, Surveys, official communication channels.	As per the Requirement on need to know basis.	To understand Customers Preferences and attitude towards the Products.
Govt Regulators		Email, E-Filings, Newspaper, Advertisements, Websites, Office Visits.	As and when required during the course of the Business.	To maintain Statutory records, to resolve issues, if any and to focus on Education, Employability and Entrepreneurship.
Shareholder & Investors		Annual General Meetings, Email, E-Filings, Newspaper, Advertisements, Website, Meetings and Annual Reports.	As per the Requirement of laws and regulations and ongoing	Understanding investors expectations and resolving concerns relating to Company and its services/ products.
Bankers & Financial Ins.		Website, Email, Consortium Meetings, One to one Meetings, Letters and routine reporting's .	On-going basis	To avail loans and finance from them and to sanction any other facility.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder engagement is critical to deepen dialogue and develop our understanding of important business and societal issues. We use various platforms where stakeholders engage on issues pertaining to the economic, environmental & social topics. The relevant information is shared with the Board of Directors of the Company regularly. The Board of Directors, through Risk Management and reviews, monitors, and provides strategic direction to the Company's social responsibility obligations

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The consultation with the stakeholders always helps the company in devising company's policy on economic, environmental, and social topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company supports the government's endeavour towards the CSR Rules and implements various initiatives with the mission to uplift and to improve disadvantaged, vulnerable and marginalised segments of society. We undertake CSR initiatives on healthcare, education and community development.

PRINCIPLE 5: Businesses should respect and promote human rights.

The Company's continuous endeavour is to provide a safe, productive and positive environment for our employees that are free from any form of discrimination, including but not limited to sexual harassment. The Company always support the human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policies of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of Employees, workers covered (B)	% (B/ A)	Total (C)	No. of Employees, workers covered (D)	% (D/C)
Employees						
Permanent	515	515	100%	477	477	100%
Other than Permanent	Nil					
Total Employees	515	515	100%	477	477	100%
Workers						
Permanent	5140	5140	100%	4579	4579	100%
Other than permanent	Nil					
Total Workers	5140	5140	100%	4579	4579	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
Employees										
Permanent	515	97	18.83%	418	81.17%	477	115	24.11%	362	75.89%
Male	496	93	18.75%	403	81.25%	460	108	23.48%	352	76.52%
Female	19	4	21.05%	15	78.95%	17	7	41.18%	10	58.82%
Other than Permanent	Nil									
Male	Nil									
Female	Nil									
Workers										
Permanent	5140	3976	77.35%	1164	22.65%	4579	3512	76.70%	1067	23.30%
Male	2869	1799	62.70%	1070	37.30%	2640	1702	64.47%	938	35.53%
Female	2271	2177	95.86%	94	4.14%	1939	1810	93.35%	129	6.65%
Other than Permanent	Nil									
Male	Nil									
Female	Nil									

3. Details of remuneration/salary/wages, in the following format:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors(BOD)- Independent Director	2	50000	1	50000
Key Managerial Personnel*	4	1406663	0	NA
Employees other than BOD and KMP	492	285900	19	190656
Workers	2869	137040	2271	137040

*KMP Remuneration includes Managing Director, Wholetime Director, Chief Financial Officer and Company Secretary.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a Vigil Mechanism and Whistle Blower Policy. The purpose of the Whistle Blower policy is to report any unethical practice observed without the risk of victimization, discrimination or disadvantage. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a protected disclosure under this Policy. The Company condemns any kind of discrimination, harassment victimization or any other unfair employment practice being adopted against the Whistle Blower. The Company has a Policy on Prevention of Sexual Harassment in the Workplace. The enquiry process ensures that the inquiry will be conducted confidentially.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the Year	Pending Resolution at the end of the Year	Remarks	Filed during the Year	Pending Resolution at the end of the Year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The Company has Internal Complaint Committees (ICC) to address any kind of complaint w.r.t., Sexual Harassment. All complaints of sexual harassment will be kept and treated as confidential to the extent practicable under the circumstances. Only those individuals who receive the complaint or are necessarily involved in an investigatory process and in decision regarding resolution of the complaint will ordinarily be provided access to the information regarding the allegation of sexual harassment. All information regarding the sexual harassment will be kept with the Personnel Department. Till date zero complaints were received from our worker.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% through Internal assessment and customer audit
Forced/involuntary labour	100% through Internal assessment and customer audit
Sexual harassment	100% through Internal assessment and customer audit
Discrimination at workplace	100% through Internal assessment and customer audit
Wages	100% through Internal assessment and customer audit
Others – please specify	100% through Internal assessment and customer audit
Child Labour	100% through Internal assessment and customer audit

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks / concerns arose.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Not applicable as no such modifications has been introduced in the current reporting year.

2. Details of the scope and coverage of any Human rights due-diligence conducted:

No specific human rights due diligence is conducted

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

All the premises/ offices of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Nil
Discrimination at workplace	
Child labour	
Forced Labour/ Involuntary Labour	
Wages	
Others-please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment:

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption(A)	196404730	201013768
Total fuel consumption(B)	92520	147551
Energy consumption through Other sources(C)	12619459	2269248

Parameter	FY 2022-23	FY 2021-22
Total energy consumption (A+B+C)	209116709	203430567
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.01	0.01
Energy intensity (optional)–the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Independent assessment./evaluation/audit has been carried out by MITCON Consultancy & Engineering Services Ltd

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilo litres)		
(i) Surface water	NA	NA.
(ii) Ground water	5,11,943	5,15,156
(iii) Third party water	NA	NA
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilo litres) (i+ii+iii+iv+v)	5,11,943	5,15,156
Total volume of water consumption (in kilo litres)	5,11,943	5,15,156
Water intensity per rupee of turnover (Water consumed/turnover)	0.00	0.00
Water intensity (optional)- the – the Relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent testing has been carried out for treated water/ ground water by Punjab Pollution Control Board.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No. However water generated from the manufacturing units is treated in the in house sewage treatment plants and the recycled water is used for horticulture and gardening.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format**

Parameter	Please specify unit	FY 2022-23	FY 2021- 22
NOx	NA	NA	NA
SOx	NA	NA	NA
Particulate matter (PM)	NA	NA	NA
Persistent organic Pollutants (POP)	NA	NA	NA
Volatile organic Compounds (VOC)	NA	NA	NA
Hazardous air Pollutants (HAP)	NA	NA	NA
Others–please specify	NA	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency.- No

6. Provide details of green house gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format.

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope1 and Scope 2 emissions per rupee of turnover	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional)- the relevant metric may be selected by the entity	NA	NA	NA

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. In FY 2021-22 the Company had successfully commissioned 10.2 MW Solar Power Plant at its Bathinda Unit. Further company in process of implementation of additional 15 MW Rooftop Solar Power Project (10 MW (Bathinda)/ 5 MW (Ludhiana) which likely to be fully commissioned by September 2023. Thus the total installed capacity of Rooftop solar plant will increased to 25.2 MW.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated(in metric tonnes)		
Plastic waste(A)	NA	NA
E-waste (B)	2.77	NA
Bio-medical waste(C)	NA	NA
Construction and demolition waste(D)	NA	NA
Battery waste(E)	NA	NA
Radio active waste(F)	NA	NA
Other Hazardous waste. Please specify, if any.(G)	1.45	1.49
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total(A+B+C+D+E+F+G +H)	4.22	1.49
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NIL	NIL
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	NIL	NIL
Total	NIL	NIL
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	4.22	1.49
Total	4.22	1.49

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

In any industry, effective waste management and minimisation should be a priority ensuring that the wastes generated from operations pose no adverse impact on human and environmental health. Our sites comply with all applicable health, safety and environmental requirements, and we ensure waste materials are sent for disposal in the most sustainable manner. Our waste management approach continues to evolve as we improve identification and accounting of our waste.

Further to manage any wastes, we follow industry best practices, including segregation, recycling and responsible disposal methods. Our goal is to minimize environmental impact, promote sustainability, and comply with relevant regulations governing waste management.

- 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Not Applicable

- 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not Applicable

- 12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N).If not, provide details of all such non-compliances, in the following format:**

The Company strictly adheres to all relevant environmental laws, regulations, and guidelines in India, ensuring full compliance.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

- 1. a. Number of affiliations with trade and industry chambers/ associations.**

5 Chambers/Associations

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/association	Reach of trade and industry chambers/ associations (State/ National)
1.	Federation of Indian Export Organizations (FIEO)	National
2.	Confederation of Indian Industry [CII]	National
3.	The Cotton Textiles Export Promotion Council (TEXPROCIL)	National
4.	The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC)	National
5.	Northern India Textile Mill's Association (NITMA)	National

- 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No such issues reported during the Financial Year.

Leadership Indicators

- 1. Details of public policy positions advocated by the entity:**

Nil

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development:

The Company has put in place Policy on Corporate Social Responsibility to guide its efforts on CSR initiatives that contribute to inclusive growth and equitable development. The Company's CSR Policy outlines the Company's philosophy & the mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large as part of its duties as a responsible corporate citizen

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

None of the Projects undertaken by the Company in FY 2022-23 required the Social Impact Assessment.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Management has instructed / given mandate the respective plant heads to address any community related grievances and take appropriate action.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	Nil	Nil
Sourced directly from within the district and neighbouring districts	0.56%	4.39%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not Applicable as no CSR projects were undertaken in designated aspirational districts as identified by government bodies

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

The company does not have any preferential procurement policy at present.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

For details refer to Annexure to Director's Report 2022-23 (Annual Report on Corporate Social Responsibilities (CSR) Activities for Financial Year 2022-23)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner:

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The customer complaints are received by the Marketing department and based on the intensity of the complaints/ feedback it is taken up with the respective teams at plant level to address the issues.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

All products offered by the Company comply with relevant statutory parameters and guidelines related to environmental and social parameters, safe and responsible usage, recycling and/or safe disposal. However, the Company has not calculated a specific percentage of its turnover derived from products or services that convey information on these areas at present.

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the Year	Pending Resolution at end of year		Received during the Year	Pending Resolution at end of year	
Data Privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Calls		No such case reported
Forced calls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Risk management Policy is available on the Company's website i.e. www.sportking.co.in.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such incident related to the mentioned topic has been reported.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):

The information on Company's products can be accessed through Company's websites i.e. www.sportking.co.in.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

The company display safety and responsible usage of products on carton boxes. Also we regular interact with our customers on the quality and safety of our products, as well as their appropriate use

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

Not Applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

The company display only mandated product information on carton boxes.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No):

No

6. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact

During the financial year 2022-23, no data breaches regarding customer privacy from outside parties etc. has happened.

- b. Percentage of data breaches involving personally identifiable information of customers: 0%

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

**Munish Avasthi
Chairman & Managing Director
DIN: 00442425**

**Place: Ludhiana
Date: 22.07.2023**

CORPORATE GOVERNANCE REPORT

Good Corporate Governance helps enhancement of long term shareholders value, and interest of other stakeholders. This is achieved through increased transparency, accountability, consistent value system and professionalism. The Company is committed to the adoption and adherence to Corporate Governance Practices that ensure; adequate transparency to take informed decisions and building trust for impactful collaboration. The key features of the corporate governance policy of your Company are to maintain the highest standards for disclosure practices, professionalism, transparency and accountability in all its dealings. We practice good corporate governance not only for compliances with applicable statutes, but also to ensure transparency and to ensure that interest of all stakeholders is protected. Your Company confirms compliance with the applicable Corporate Governance requirements set forth in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

1. COMPANY’S PHILOSOPHY

- a) Faith in bright future of Indian Textiles
- b) Total Customer focus in all operational areas
- c) Respect for people, consumer delight, Integrity, Quality and Shareholder’s value
- d) Achieving excellence through continuous innovation & creativity
- e) Faith in individual potential and respect for human values
- f) Pioneer in its sector by investing in people and technology.
- g) By producing quality products at low cost.

2. BOARD OF DIRECTORS

SIZE & COMPOSITION:

Your Company’s Board is well-balanced and diverse. Each director possesses the necessary qualifications, experience, and expertise in their respective functional areas, enabling them to fulfill their responsibilities and provide strong leadership to the management team. As of 31st March 2023 the Company’s Board of Directors comprises of 6 Directors. Out of these, 2 are Executive Directors and 4 are Non-Executive Directors, including 3 Independent Directors. The composition of the Board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Companies Act, 2013 (“the Act”).

The details of Board of Directors and their shareholding as on 31.03.2023 in the Company are as under:

Name of the Directors	Category	No. of equity shares held in the Company
Mr. Munish Avasthi	Executive Managing Director and Promoter	9,70,422
Mr. Naresh Kumar Jain	Executive and Non Promoter Director	5,200
Mrs. Anjali Avasthi*	Non- Executive Non Independent Director	8,454
Mr. Prashant Kochhar	Non- Executive Independent Director	NIL
Dr. Sandeep Kapur	Non -Executive Independent Director	NIL
Mrs. Harpreet Kaur Kang	Non- Executive Independent Director	NIL

*Mrs. Anjali Avasthi (DIN: 06911970) was appointed as Non-Executive Non-Independent Director of the Company by the Board on 03.09.2022.

BOARD MEETINGS:

The Board meets at regular intervals to discuss and make decisions regarding the Company’s results, operations, business policies, strategies, and other matters. During the year under review, Board met 6 (six) times on the Following Dates:

- 30th April, 2022
- 23rd July, 2022
- 03rd September, 2022
- 29th October, 2022
- 28th January, 2023 and
- 21st March, 2023

The necessary quorum was present for all the meetings and the maximum time gap between any two consecutive meetings did not exceed 120 days.

The Board Members attendance at the Board meetings, last Annual General Meeting and Directorship / Committee Memberships in other Public Limited Companies are as under-

Name of the Directors	No. of Board Meetings Attended	Attendance at the last AGM	Total No. of Directorships in other Public Companies	Directorship held in other Public Ltd. Companies/ Category of Directorship	Total no. of Committee Memberships in other Public Companies	Total no. of Committee Chairmanships in other Public Companies
Mr. Raj Kumar Avasthi*	1	NA	-	-	-	-
Mr. Munish Avasthi	5	Yes	-	-	-	-
Mr. Naresh Kumar Jain	6	Yes	-	-	-	-
Mrs. Anjali Avasthi**	4	Yes	-	-	-	-
Mr. Prashant Kochhar	5	Yes	-	-	-	-
Dr. Sandeep Kapur	6	Yes	4	Ralson India Limited (Non-Executive Independent Director) Ludhiana Smart City Limited (Nominee Director) Kangaro Industries Limited (Non-Executive Independent Director) Vardhman Yarns and Threads Limited (Non-Executive Independent Director)	5	2
Mrs. Harpreet Kaur Kang	3	Yes	1	Vardhman Textiles Limited (Non-Executive Independent Director)	3	1

*** Due to sudden demise, Mr. Raj Kumar Avasthi , Former Chairman and Managing Director of the Company ceased to be part of Board of Directors of the Company w.e.f 23.07.2022.**

****Mrs. Anjali Avasthi was appointed as a Director of the Company w.e.f. 03.09.2022.**

Notes

- The above mentioned Directorships exclude private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013.
- Committee includes Audit Committee and Stakeholders Relationship Committee.
- As mandated by Regulation 17A and 26 (1) (b) of the Listing Regulations, None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies have been made by the Directors.
- Except, Mr. Munish Avasthi (Managing Director) and Mrs. Anjali Avasthi (Non-Executive Non Independent Director) none of the Directors are related to each other.

CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS.

The Board consists of eminent individuals having expertise and experience in various fields who understand and respect their roles and responsibilities towards stakeholders of the Company, including the duties and powers prescribed under the provisions of the Companies Act, 2013, and any other applicable laws, and strive to meet their expectations. The Board also confirms that in the opinion of the Board, the Independent Directors fulfil the conditions specified in Listing Regulations and are independent of the management. The Board Mix provides a combination of professionalism, knowledge, skills, expertise,

industry and business understanding and experience as required in the industry and further meets the criteria prescribed under the Board Diversity Policy adopted by the Board

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

Sr. No.	Skill/Expertise/Competencies	Names of Directors who have such Skill/Expertise/Competencies					
		Mr. Munish Avasthi	Mr. Naresh Kumar Jain	Mrs. Anjali Avasthi	Mr. Prashant Kochhar	Dr. Sandeep Kapur	Mrs. Harpreet Kaur Kang
1.	Industry Knowledge/Experience	✓	✓	✓			
2.	Knowledge of Sector	✓	✓	✓			✓
3.	Accounting, Finance and Banking	✓	✓	✓	✓	✓	✓
4.	Business Strategy and Planning Management	✓	✓	✓	✓	✓	✓
5.	Marketing Management	✓	✓	✓		✓	
6.	Corporate Governance	✓	✓	✓	✓	✓	✓
7.	Legal & Risk Management	✓	✓	✓	✓	✓	✓
8.	Compliance focus Management	✓	✓	✓	✓	✓	✓
9.	Foreign Exchange Management	✓	✓	✓	✓	✓	✓
10.	Project Management	✓	✓			✓	✓

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

In terms of Section 149(7) of the Companies Act, 2013, the Independent Directors have given a declaration to the Company that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

None of the Independent Directors serve as Independent Director in more than seven listed entities. Each of the Independent Directors has registered their names on the online databank maintained by the Indian Institute of Corporate Affairs (IICA).

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

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

3. BOARD COMMITTEE (S), THEIR COMPOSITION AND TERMS OF REFERENCE AS ON 31.03.2023 AS UNDER:

A. AUDIT COMMITTEE:

Composition and Terms of Reference:

Audit Committee is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The Audit Committee comprised of four Directors are as under:

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

Three out of four members of the Audit Committee are Non-Executive Independent Directors and Mr. Prashant Kochhar is the Chairman of the Committee. All the members of Audit Committee are financially literate and Chairman of the Committee possesses expertise in legal, finance and accounting matters. Mr. Lovlesh Verma, Company Secretary of the Company is the Secretary of the Committee.

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

During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The committee met Six (6) times during the financial year under review on 30.04.2022, 23.07.2022, 03.09.2022, 29.10.2022, 28.01.2023 and 21.03.2023. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No(s.) of Meetings Attended
Mr. Prashant Kochhar	Chairman	Non-Executive Independent Director	5
Dr. Sandeep Kapur	Member	Non-Executive Independent Director	6
Mrs. Harpreet Kaur Kang	Member	Non-Executive Independent Director	3
Mr. Naresh Kumar Jain	Member	Executive and Non Promoter Director	6

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition and Terms of Reference:

The Stakeholders Relationship Committee's comprised of three Directors are as under:

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

The Committee meets the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Committee is primarily responsible to consider and resolve the grievances of the shareholders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of Bonus, issuance of Duplicate Share Certificates or any other matters with regard to shares if any. Mr. Lovlesh Verma, Company Secretary of the Company act as Compliance officer of the committee/company as per the requirement of SEBI Listing Regulation. During the Financial Year 2022-23, 23 investor complaints/ queries were received which was resolved and there was no pending complaint at the end of FY 2022-23. The attendance of Committee members is as under:

Name of the Directors	Designation	Category	No(s.) of Meetings Attended / Attended
Dr. Sandeep Kapur	Chairman	Non-Executive Independent Director	4/14
Mr. Munish Avasthi	Member	Executive and Promoter Director	13/14
Mr. Naresh Kumar Jain	Member	Executive and Non Promoter Director	14/14

C. NOMINATION AND REMUNERATION COMMITTEE AND POLICY

Composition and Terms of Reference:

The Committee's comprised of three directors are as under:

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

The Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration.

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

1. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
2. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively. The Nomination and Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
3. The Nomination and Remuneration Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.

(II) Remuneration to Non-Executive Directors

Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board attended by him, as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

B (I) Criteria of selection of Executive Directors

For the purpose of selection of Executive Directors including Managing Director(s) and Whole Time Directors the Nomination & Remuneration (N&R) Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

(II) Remuneration to Executive Directors

At the time of appointment or re-appointment, the Executive Director's including Managing Director (s) and Whole Time Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and Executive Director's including Managing Director (s) and Whole Time Directors within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration comprises salary/commission, allowances, perquisites, amenities and provident and other retirement benefits funds as approved by the shareholders at the General Meeting.

Policy for Remuneration of the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members, if any) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

The committee met two (2) time during the financial year under review on 03.09.2022 and 21.03.2023. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No(s.) of Meetings Attended
Dr. Sandeep Kapur	Chairman	Non-Executive Independent Director	2
Mr. Prashant Kochhar	Member	Non-Executive Independent Director	2
Mrs. Harpreet Kaur Kang	Member	Non-Executive Independent Director	0

Details of the Remuneration paid/payable to the Directors and Key Managerial Personnel for the Year Ended 31st March, 2023.
Executive Directors:

Name	Designation	Salary (Rs.)	Allowances / Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Mr. Raj Kumar Avasthi*	Former Chairman and Managing Director	89,66,421	3,59,436	—	—	93,25,857
Mr. Munish Avasthi	Chairman and Managing Director	2,22,00,000	12,09,440	—	—	2,34,09,440
Mr. Naresh Kumar Jain	Executive Director	13,80,000	6,90,000	—	—	20,70,000

*Due to sudden demise, Mr. Raj Kumar Avasthi, Former Chairman and Managing Director of the Company ceased to be part of Board of Directors of the Company w.e.f 23.07.2022.

Note: Allowances/Perquisite includes Rent Free Accommodation and the amount did not include Leave travel allowance, provident fund and Reimbursement expenses.

Non-Executive Independent Directors:

Name	Designation	Amount (Rs)
Dr. Sandeep Kapur	Non-Executive Independent Director	60,000
Mr. Prashant Kochhar	Non-Executive Independent Director	50,000
Mrs. Harpreet Kaur Kang	Non-Executive Independent Director	30,000
	Total	1,40,000

Key Managerial Personnel

Name	Designation	Amount (Rs.)
Mr. Parveen K Gupta *	Chief Financial officer (CFO)	13,81,266
Mr. Sandeep Sachdeva#	Chief Financial officer (CFO)	99,597
Mr. Lovlesh Verma	Company Secretary	7,43,325

* Mr. Parveen K Gupta has retired from the services of the Company w.e.f. 03.10.2022.

Mr. Sandeep Sachdeva was appointed as Chief Financial Officer of the Company w.e.f. 21.03.2023 and accordingly he received remuneration on proportionate basis. .

Note: Amount did not include Provident fund, Leave Travel Allowance and conveyance reimbursement.

D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :
Composition and Terms of Reference:

Pursuant to the provisions of section 135 and Schedule VII of the Companies Act, 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee and the Committee's comprised of three directors are as under:

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

* Due to sudden demise, Mr. Raj Kumar Avasthi, ceased to be part of member of committee w.e.f 23.07.2022.

** Mr. Naresh Kumar Jain was appointed as a member of the Committee w.e.f 03.09.2022.

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

The committee met once during the financial year under review on 28.01.2023. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No(s.) of Meetings Attended
Mr. Munish Avasthi	Chairman	Executive and Promoter Director	1/1
Mr. Naresh Kumar Jain	Member	Executive and Non Promoter Director	1/1
Dr. Sandeep Kapur	Member	Non-Executive Independent Director	1/1

E. RISK MANAGEMENT COMMITTEE:

The Company formulated Risk Management Policy, which is uploaded on the Company's website. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company, being one of the largest textile, is committed towards excellence. The Committee's comprised of three Directors are as under:

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

The committee met twice (2) during the financial year under review on 03.09.2022 and 13.12.2022. The attendance of committee members is as under:

Name of the Directors	Designation	Category	No(s.) of Meetings Attended
Mr. Munish Avasthi	Chairman	Executive and Promoter/ Director	2/2
Mr. Naresh Kumar Jain	Member	Executive and Non Promoter Director	2/2
Dr. Sandeep Kapur	Member	Non-Executive Independent Director	1/2

F) COMMITTEE OF INDEPENDENT DIRECTORS AND MEETING

The Board of Directors of the Company has constituted a Committee of Independent Directors of the Board comprising of all three Non-Executive Independent Directors. During the year under review, the Independent Directors met on 29.10.2022, inter alia, to discuss:

- i) Evaluation of performance of Non Independent Directors and the Board of Directors as a whole.
- ii) Evaluation of performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarization program which provides information relating to the Company. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company.

The details of the Familiarization Programme conducted for the Independent Directors of the Company are available on the Company's website.

4. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Managing Director (s)/ Whole Time Director (s) and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

5. ANNUAL GENERAL MEETING

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

Annual General Meetings	Day	Date	Time	Venue	No. of Special Resolutions Passed
33 rd	Friday	30/09/2022	10.00 A.M	Village Kanech, Near Sahnewal, GT road, Ludhiana-141120	4
32 nd	Friday	10/09/2021	11.00 A.M	Village Kanech, Near Sahnewal, GT road, Ludhiana-141120	Nil
31 st	Saturday	26/12/2020	2.00 P.M.	5/69, Guru Mansion, 1st Floor Padam Singh Road , Karol Bagh, New Delhi-110005	6

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

6. MEANS OF COMMUNICATION

The Company communicates with the shareholders through various means viz. through its Annual Reports, Publication of financial results, in leading newspapers and by filing of various reports and returns with the statutory bodies like BSE Ltd., National Stock Exchange of India Limited(NSE) and the Registrar of Companies(ROC). Apart from this, the quarterly Unaudited Financial Results and Audited Financial Results are published in prominent daily newspapers viz. Financial Express/Business Standards/Economic Times and Desh Sewak, Punjab. Also they are uploaded on the Company's Website www.sportking.co.in.

7. GENERAL SHAREHOLDERS INFORMATION

I).	34th Annual General Meeting	
	Date	16 th September, 2023
	Time	10.30 AM
	Venue	Registered Office at Village Kanech, Near Sahnewal, GT Road, Ludhiana-141120 (Punjab)
II).	Financial Calendar (Tentative)	2023-24
	First Quarter Results (Unaudited)	On or before 14 th August, 2023
	Second Quarter Results (Unaudited)	On or before 14 th November, 2023
	Third Quarter Results (Unaudited)	On or before 14 th February, 2024
	Fourth Quarter (Audited)	On or before 30 th May, 2024
III).	Dates of Book Closure	11 th September, 2023 to 16 th September, 2023
IV).	Dividend Payment Date	The Board has not recommended Dividend for the FY 2022-23.

V. Name and address of Stock Exchanges at which the securities of the Company are listed

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

The Company has paid listing fees for the financial year 2023-24 within due time.

** The National Stock Exchange of India Limited (NSE) has granted the listing approval for 1,32,87,200 Equity Shares of Rs.10/- each vide their letter No. NSE/LIST/92 dated 22nd August 2022. The Equity shares of the Company are listed and admitted to dealings on the National Stock Exchange w.e.f. 24th August, 2022.*

VI. STOCK MARKET DATA

Monthly high and low prices of the Company's Scrip equity during the year on the Bombay Stock Exchange Limited.

A) BSE Ltd.

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares Traded	Total Turnover
Apr-22	1370.00	1030.00	1310.75	361820	438986740
May-22	1309.75	920.45	981.75	267778	288824166
Jun-22	1051.00	773.30	931.55	201464	185427801
Jul-22	990.00	886.25	918.60	243341	228335089
Aug-22	1122.00	831.00	929.10	476960	459937896
Sep-22	952.10	723.00	728.55	532108	454193436
Oct-22	913.50	655.15	668.80	496235	408064778
Nov-22	750.00	641.05	710.50	106428	73323561
Dec-22	800.00	637.10	710.85	162179	113798932
Jan-23	799.60	665.05	708.60	125218	91480155
Feb-23	755.05	638.50	648.50	61414	42871838
Mar-23	707.60	633.50	646.50	36716	24493223

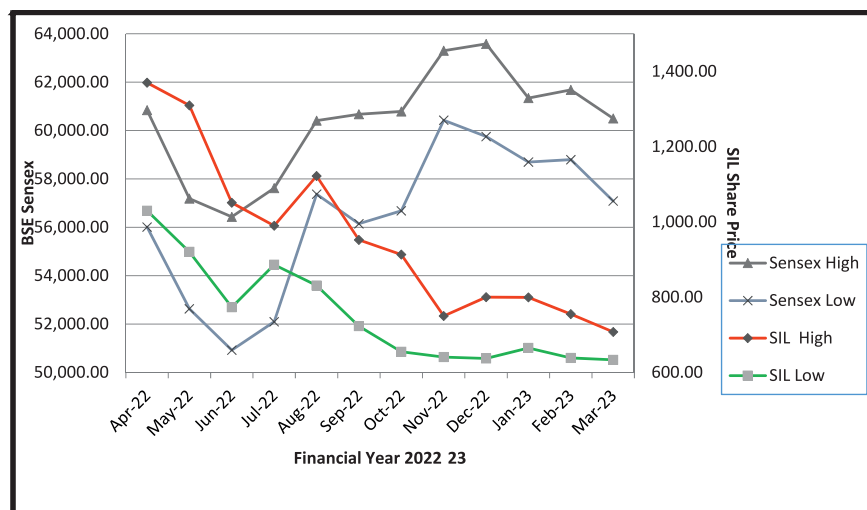
B) National Stock Exchange of India Limited (NSE Ltd).

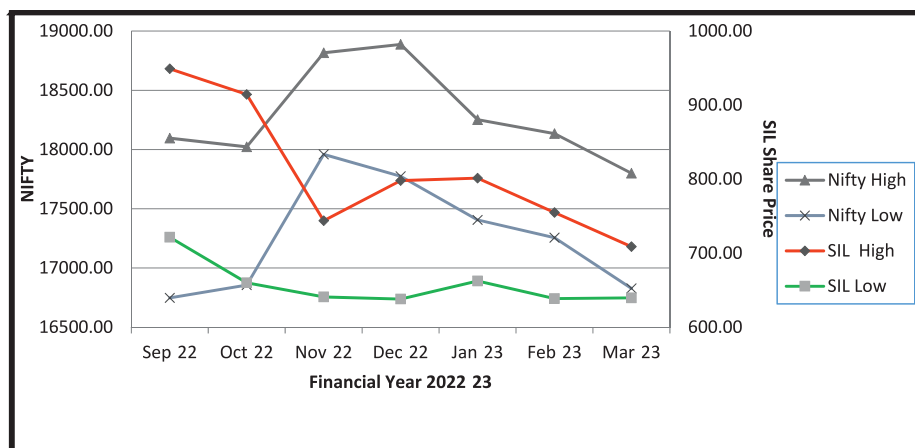
Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares Traded	Total Turnover
Aug-22	1123.05	909.70	926.95	190000	191216000
Sep-22	949.05	721.55	726.85	930000	782903000
Oct-22	914.45	660.15	669.40	1208000	994917000
Nov-22	743.90	640.85	711.25	413000	285615000
Dec-22	798.00	638.00	708.60	346000	249251000
Jan-23	801.30	662.50	709.40	1128000	842676000
Feb-23	755.00	638.75	649.15	348000	245124000
Mar-23	708.80	639.60	646.70	198000	133267000

Note: The Equity shares of the Company are listed and admitted to dealings on the National Stock Exchange w.e.f. 24th August, 2022 and the market price thereafter is reflected accordingly.

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES:

Sportking India Limited vs BSE Sensex



Sportking India Limited vs NSE Nifty

VII. DISTRIBUTION OF EQUITY SHAREHOLDERS AS ON 31ST MARCH 2023.

RANGE No. of Shares	Shareholders		Shares	
	Nos.	% to Total No.(s)	No(s).	% to Total Shares
Up to 5000	49147	98.61	1042230	7.84
5001 - 10000	356	0.71	261329	1.97
10001 - 20000	179	0.36	265591	2.00
20001 - 30000	39	0.08	96121	0.72
30001 - 40000	37	0.08	140905	1.06
40001 - 50000	11	0.02	51946	0.40
50001 - 100000	31	0.06	206261	1.55
100001 and Above	38	0.08	11222817	84.46
TOTAL	49838	100.00	13287200	100.00

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

M/s Beetal Financial & Computer Services Private Ltd is Registrar & Transfer Agent of the Company who has adequate staff & infrastructure to provide services to the shareholders and maintaining connectivity with both the depositories i.e. NSDL & CDSL.

IX. DEMATERIALIZATION OF SHARES

The International Securities Identification Number (ISIN) of equity shares of the Company is **INE885H01011**. The Shareholders are required to submit demat /remat request to depository participants (DP) with whom they maintain a demat account. DP sends the request for demat of shares along with physical share certificates to Registrar & Transfer Agents of the Company. The Registrar liaison with DP and NSDL/CDSL and acknowledge the receipt of physical shares for demat and verify the genuineness. After verification the RTA updates the final demat register. The RTA forwards the confirmation report to CDSL/NSDL or rejection report as the case may be. As on 31st March 2023, 97.31% of shares held in dematerialized form and the rest in physical form.

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

XI. Declaration and Certificate

- Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct is annexed herewith as a part of the report.
- Declaration signed by the Chief Executive Officer and Chief Financial officer to the Board about compliance by the Company for the financial year ended 31st March, 2023 is annexed herewith as a part of the report.
- Compliance Certificate for Corporate Governance from Practicing Company Secretaries is annexed herewith as a part of the report.
- Certificate from Practicing Company Secretaries that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.

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

Nil

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

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

Details relating to fees paid by the company to the Statutory Auditors are given in Note No 32 of Financial Statements. Since the Company does not have any subsidiary, the provision on Consolidated Basis is not applicable to the Company. The Company also not paid any fees to the network firm/network entity of which the statutory auditor is a part.

XV. PLANT LOCATIONS

Village Kanech, Near Sahnewal, G.T. Road, Ludhiana – 141120

Village Barmalipur, Near Doraha, G.T. Road, Ludhiana – 141416

Village Jeeda, Kotkapura Road, Distt. Bathinda - 151201

XVI Address for correspondence:

Registered and Corporate Office:

Village Kanech, Near Sahnewal

G.T Road, Ludhiana -141120

Phone:0161-2845456, Email: cs@sportking.co.in

Registrar & Transfer Agent:

Beetal Financial & Computer Services Private Ltd.

3rd Floor, 99 Madangir

Behind Local Shopping Centre

Near Dada Harsukhdaas Mandir

New Delhi 110062

Phone: 011-29961281, Fax: 011-29961284

Email: beetalrta@gmail.com

XVII. Credit Rating

CRISIL Ratings Limited had upgraded/assigned the following credit rating of the Company:

Sr No	Name of the Facility	Rating on 25.04.2022 (Upgraded)	Rating on 19.09.2022 (Assigned/upgraded)	Rating on 06.06.2023 (Assigned/upgraded)
1.	Long Term Rating	CRISIL A/Stable	CRISIL A/ Stable(Reaffirmed)	CRISIL A/ Stable(Reaffirmed)
2.	Short Term Rating	CRISIL A1	CRISIL A1(Reaffirmed)	CRISIL A1(Reaffirmed)

XVIII. OTHER DISCLOSURES

- The requirement of policy for determining 'material' subsidiaries is not applicable to the Company as it does not have any Subsidiary Company.
- No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. During the Period under review the company has complied with all provisions of the Act, Rules, Regulations, Guidelines and Standards except there is one day delay in filing of Related Party Transaction Report under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has established a Vigil Mechanism/Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud etc. and the same has been disclosed on the website of the Company i.e. www.sportking.co.in. Further no personnel has been denied access to the Audit Committee.
- The company has complied with all the mandatory requirements of Corporate Governance as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the www.sportking.co.in.
- The risks which the company is exposed to and policies and framework adopted by the company to manage these risks mentioned in Note No. 50 of the financial statements.
- As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaint was reported to the board.
- There is no Loans and advances in the nature of loans given to firms/companies in which directors are interested.
- Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that top 1000 listed entities based on market capitalization shall submit a Business Responsibility and Sustainability Report(BRSR) in the format as specified by SEBI. The company has been included in the list of top 1000 listed companies by NSE on the basis of market capitalization as on 31st March, 2023 as per the list released by them in Current FY 2023-24. Accordingly, the company has attached the Business Responsibility and Sustainability Report (BRSR) as part of this Annual Report.
- As per Regulation 25 (10) of SEBI (LODR) Regulations, 2015 company has taken Directors and Officers insurance ('D and O insurance') Policy.
- Pursuant to the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) the Company has formulated a Dividend Distribution Policy and it is available on Company's website i.e. www.sportking.co.in.
- The Statutory Auditors of the Company have issued an Audit Report with un-modified opinion on the Audited Financial Results of the Company for the Financial Year ended 31st March, 2023.
- The Company complied with all the requirement of corporate governance report said out in the schedule V of SEBI (LODR) Regulations, 2015.
- As per SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/B dated 25/01/2022, those shares are transferred to Suspense Escrow Account, in relation to whom the shareholders has not issued confirmation letter of DEMAT within 120 days after issuance of duplicate. The Company has opened "**SPORTKING INDIA LTD SUSPENSE ESCROW DEMAT ACCOUNT**" for this purpose and during the year 200 numbers of shares has been transferred to the above account.

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the code of conduct adopted by the Company for the Financial Year 2022-23.

By Order of the Board
For Sportking India Limited

(Munish Avasthi)
Chairman & Managing Director
DIN: 00442425

Place: Ludhiana
Date: 22.07.2023

Regd. Office:
Village Kanech, Near Sahnewal
GT Road, Ludhiana-141120 (Punjab)

CEO / CFO CERTIFICATE

To
The Members of
Sportking India Limited
Village Kanech, Near Sahnewal,
GT Road, Ludhiana-141120

In relation to the **Audited Financial Accounts** of the Company as at **31.03.2023**, we hereby certify that,

- (a) We have reviewed the Audited Financial Statements, read with the cash flow statement of Sportking India Limited for the year ended 31st March, 2023 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for the financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee that :
- (i) There was no significant changes, if any, in the internal control over the financial reporting during the year.
 - (ii) All significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes of accounts to the Financial Statements; and
 - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Sandeep Sachdeva
Chief Financial Officer

Place: Ludhiana
Dated: 29.04.2023

Munish Avasthi
Chairman & Managing Director
DIN: 00442425

Certificate of Compliance of Corporate Governance as required under Regulation 34(3) Read With Schedule V Of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

To
The Members of
Sportking India Limited, Village Kanech
Near Sahnewal, GT Road
Ludhiana-141120

We have examined the Compliance of Corporate Governance of Sportking India Limited for the FY 2022-23 as stipulated under applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the Corporate Governances. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied with the condition of Corporate Governance as stipulated under applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana
Dated:22.07.2023
UDIN: F010253E000655141

For Lal Ghai & Associates
Company Secretaries
CS Sumit Ghai
FCS-10253
CP No:12814

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

To
The Members of
Sportking India Limited, Village Kanech
Near Sahnewal, GT Road
Ludhiana-141120

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Sportking India Limited produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director's Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the

Company and its officers, we hereby certify that none of the directors on the board of the Company for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as directors of

companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2023.

Place: Ludhiana
Dated:22.07.2023
UDIN: F010253E000655216

For Lal Ghai & Associates
Company Secretaries
CS Sumit Ghai
FCS-10253
CP No:12814

INDEPENDENT AUDITORS' REPORT

**To the Members of
Sportking India Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of Sportking India Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key audit matter	Auditor's Response
1.	<p>Valuation of Inventory</p> <p>Inventories are valued at lower of cost or net realizable value. There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV').</p> <p>We identified the valuation of inventories as a key audit matter because the Company held significant inventories at the reporting date and significant degree of management judgement and estimation was involved in valuing the inventories.</p>	<p>Principal audit procedures</p> <ul style="list-style-type: none"> • Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect. • Obtained an understanding of and performed the test of design, implementation and operating effectiveness of the Company's key internal controls over the process for valuation of inventories. • Compared the cost of raw materials with supplier invoices for selected samples. For work-in-progress and finished goods, we understood the determination of the net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgements applied by the management concerning overhead allocation by assessing the cost of the items included in overhead absorption for selected samples. • In connection with NRV testing, we have compared carrying value to the selling price prevailing around and subsequent to the year end for the selected samples.

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the company.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 38 to the financial statements.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. No dividend has been declared and paid during the year by the Company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of information and explanations provided to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

(Sanjiv Mohan)
Partner

M. No. 086066
UDIN: 23086066BGXYKG6123

Place: Ludhiana
Date : 29th April, 2023

ANNEXURE – “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sportking India Limited of even date)

- (i) In respect of Company’s Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment and relevant details of Right of use Assets.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has adopted a policy of physical verification of all the items of Property, Plant and Equipment so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Plant & machinery were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deed of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements under Property, Plant and Equipment are held in the name of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.
- (e) Based on the information and explanations given to us, proceedings are pending against the company, as beneficiary, for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. The details of the same have been appropriately disclosed in note 51 to the financial statements.
- (ii) (a) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory have been noticed on physical verification of inventories when compared with books of account.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, during the year, from banks on the basis of security of inventories and trade receivable (i.e current assets). There are certain differences in value of inventories as filed with banks vis-a-vis books of accounts. The summary of reconciliation and reasons of material discrepancies in this regard is as under:-

(₹ in Lakhs)

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for major difference
June 30, 2022	State Bank of India and consortium of banks	Stocks	38,661.65	38,662.98	(1.33)	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Rs. 16,880.30 Lakhs)	27,441.62	26,540.01	901.61	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks and balance of Sobhagia Sales P Ltd. which was due more than 90 days was not shown in statement submitted to the bank.

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for major difference
Sept 30, 2022	State Bank of India and consortium of banks	Stocks	12,629.45	12,645.55	(16.10)	Differences are not material.
		Trade receivables (excluding Bills discounted amounting of Rs. 2,898.97 Lakhs)	29,246.37	28,317.77	928.60	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.
Dec 31, 2022	State Bank of India and consortium of banks	Stocks	22,689.78	22,662.24	27.54	Differences are not material.
		Trade receivables (excluding Bills discounted amounting of Rs. 145.20 Lakhs)	27,466.92	26,782.47	684.45	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.
March 31, 2023	State Bank of India and consortium of banks	Stocks	37,197.82	36,807.12	390.70	Differences are due to figures reported to the bank on provisional basis
		Trade receivables (excluding Bills discounted amounting of Rs. Nil Lakhs)	23,441.27	23,300.69	140.58	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.

Note: Trade receivables discounted with banks have not been considered in the above figures as the same is not included in the statement submitted to banks.

- (iii) According to the information and explanations given to us, we report that the Company has not has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore reporting under clause 3(iii) of the Order is not applicable.
- (iv) The Company has not has made investments, provided any guarantee or security or granted any loans or advances in the nature of loans as specified under section 185 and section 186 of the act. Therefore reporting under clause 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year covered under the provisions of sections 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) In respect of Statutory dues:
- (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other statutory dues to the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, cess and any other statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below.

(₹ in Lakhs)

Name of Statute	Nature of dues	Financial Year to which it relates	Total Demand	Paid under Protest/ Refund adjusted by department	Unpaid	Forum at which dispute is pending
Income Tax Act, 1961	Income Tax	2005-06	99.58	99.58	-	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2013-14	23.91	-	23.91	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2010-11, 2013-14	228.16	-	228.16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2013-14, 2014-15, 2015-16	609.12	5.55	603.57	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2015-16	28.86	-	28.86	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise duty	2010-11	44.87	-	44.87	Central Excise & Service tax Appellate Tribunal, Delhi

- (viii) According to the information and explanations given to us and records of the company examined by us, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and records of the company examined by us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us, and on the basis of our audit procedure the company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us, the term loan has been applied for the purpose for which loans were obtained.
- (d) Based on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the company. Therefore reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the company. Therefore reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) In our opinion and according to the information and explanations given to us and records of the Company examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and therefore reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company has not received whistle blower complaints during the year.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or person connected with them. Therefore reporting under clause 3(xv) of the Order is not applicable.
- xvi (a) Based on the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore reporting under clause 3(xvi)(a) of the order is not applicable.
- (b) Based on information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; and therefore reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) Based on information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and therefore reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) On the basis of examination of records of the company, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) The Company has not undertaken any ongoing project for the Corporate Social Responsibility activities during the year. Therefore, requirement of transferring of amount remaining unspent in compliance with the provisions of sub-section (6) of section 135 of Companies Act is not applicable to the company.

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Date : 29th April, 2023

ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Sportking India Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial control over financial reporting of Sportking India Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of financial statements of company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting of the company.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Date : 29th April, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	3 (a)	75610.53	38082.71
(b) Capital Work-in-Progress	55	662.07	7322.88
(c) Right of Use Asset	3 (b)	62.81	75.65
(d) Other Intangible Assets	3 (c)	23.10	6.35
(e) Financial Assets			
Other Financial Assets	4	1789.83	1728.69
(f) Income Tax Assets (Net)	24	176.34	170.79
(g) Other Non-Current Assets	5	662.96	2237.74
Total Non Current Assets		78987.64	49624.81
2. Current Assets			
(a) Inventories	6	37197.82	52189.14
(b) Financial Assets			
(i) Trade Receivables	7	23369.00	41112.88
(ii) Cash and cash equivalents	8	1155.56	53.54
(iii) Bank Balances Other than (ii) above	9	5606.90	2431.00
(iv) Other Financial Assets	10	76.23	71.19
(c) Other Current Assets	11	11086.33	9951.65
Total Current Assets		78491.84	105809.40
TOTAL ASSETS		157479.48	155434.21
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	1344.80	1344.80
(b) Other Equity	13	88626.52	75401.80
Total Equity		89971.32	76746.60
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	34266.56	14107.33
(ia) Lease liabilities	15	58.17	63.72
(b) Provisions	16	1225.03	1116.16
(c) Deferred Tax Liabilities (Net)	17	2145.00	1264.00
Total Non-Current Liabilities		37694.76	16551.21
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	13080.22	39569.75
(ia) Lease Liabilities	19	13.82	19.72
(ii) Trade Payables	20		
(A) Total Outstanding dues of Micro Enterprises and Small Enterprises		67.51	38.54
(B) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		10261.61	12405.02
(iii) Other Financial Liabilities	21	4344.85	6406.01
(b) Other Current Liabilities	22	1060.89	889.84
(c) Provisions	23	61.59	73.32
(d) Current Tax Liabilities (Net)	24	922.91	2734.20
Total Current Liabilities		29813.40	62136.40
TOTAL EQUITY AND LIABILITIES		157479.48	155434.21
See accompanying notes to the financial statements			

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

(Sanjiv Mohan)
Partner
M.No.086066

Place: Ludhiana
Date : April 29, 2023

For and on behalf of the Board of Directors

Munish Avasthi
Chairman-cum-Managing Director
DIN No.00442425

Naresh Jain
Executive Director
DIN No.00254045

Sandeep Sachdeva
Chief Financial Officer

Lovlesh Verma
Company Secretary
Membership No. A34171

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(I) Revenue from Operations	25	220502.30	215401.18
(II) Other Income	26	1152.42	2415.12
(III) Total Income (I+II)		221654.72	217816.30
(IV) Expenses:			
Cost of Materials Consumed	27	155785.54	118102.78
Purchases of stock-in-trade	28	88.14	18.99
Changes in Inventories of Work-in-Progress and Finished Goods	29	-1499.86	-1440.62
Employee Benefits Expenses	30	11646.02	10481.55
Finance Costs	31	2304.89	2857.81
Depreciation and Amortisation Expense	3(a),3(b),3(c)	4815.00	4385.91
Other Expenses	32	26599.88	28669.02
Total Expenses		199739.61	163075.44
(V) Profit before Exceptional Items and Tax (III-IV)		21915.11	54740.86
(VI) Exceptional Items	33	2965.31	0.00
(VII) Profit before tax (V-VI)		18949.80	54740.86
(VIII) Tax Expense:			
Current tax	34	4887.18	13852.65
Tax adjustment related to earlier years	34	7.64	-31.62
Deferred tax	35	856.78	-5.09
Total Tax		5751.60	13815.94
(IX) Profit for the year (VII-VIII)		13198.20	40924.92
(X) Other Comprehensive Income			
(a) (i) Items that will not be reclassified to Profit or Loss			
-Remeasurement of Employee Defined Benefit Plans		96.22	179.18
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	35	-24.22	-45.09
Total Other Comprehensive Income for the year		72.00	134.09
(XI) Total Comprehensive Income for the year (IX+X)		13270.20	41059.01
(XII) Earning per Equity Share of par value of ₹ 10/- each			
Basic (₹)	37	99.33	308.00
Diluted (₹)		99.33	308.00
See accompanying notes to the financial statements			

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

(Sanjiv Mohan)
Partner
M.No.086066

Place: Ludhiana
Date : April 29, 2023

For and on behalf of the Board of Directors

Munish Avasthi
Chairman-cum-Managing Director
DIN No.00442425

Naresh Jain
Executive Director
DIN No.00254045

Sandeep Sachdeva
Chief Financial Officer

Lovlesh Verma
Company Secretary
Membership No. A34171

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2023

(Amount ₹ in Lakhs unless otherwise stated)

a) Equity Share Capital

Particulars	Amount
Balance as at 1st April, 2021	348.26
Change in equity share capital during the year	
- Bonus shares issued during the year	996.54
Balance as at 31st March, 2022	1344.80
Change in equity share capital during the year	0.00
Balance as at 31st March, 2023	1344.80

b) Other Equity

Particulars	Equity Component of Compound Financial Instruments (Inclusive of Securities Premium)*	Reserve and Surplus				other comprehensive income (remeasurement of defined benefit plans)	Total
		Capital Redemption Reserve	Securities Premium	Retained Earnings	General Reserve		
Balance as at 1st April, 2021	7733.04	553.80	702.71	26250.34	3.00	96.44	35339.33
Bonus shares issued during the year	0.00	-553.80	-442.74	0.00	0.00	0.00	-996.54
Profit for the year	0.00	0.00	0.00	40924.92	0.00	0.00	40924.92
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	134.09	134.09
Balance as at 31st March 2022	7733.04	0.00	259.97	67175.26	3.00	230.53	75401.80
Balance as at 1st April, 2022	7733.04	0.00	259.97	67175.26	3.00	230.53	75401.80
Profit for the year	0.00	0.00	0.00	13198.20	0.00	0.00	13198.20
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	72.00	72.00
Traansferred to retained earnings	0.00	0.00	0.00	302.53	0.00	-302.53	0.00
Traansferred from retained earnings to capital redemption reserve on account of redemption of preference shares	0.00	318.52	0.00	-318.52	0.00	0.00	0.00
Expenses pertaining to buyback of Equity Shares (net of tax benefits) (refer note 68)	0.00	0.00	0.00	-45.48	0.00	0.00	-45.48
Balance as at 31st March, 2023	7733.04	318.52	259.97	80311.99	3.00	0.00	88626.52

* Equity Component of Compound Financial Instruments (Inclusive of Securities Premium) includes equity component of ₹ 1613.28 Lakhs in respect of preference shares redeemed till 31st March, 2023 (₹ 662.55 Lakhs till 31st March, 2022)

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
 Partner
 M.No.086066

Place: Ludhiana
 Date : April 29, 2023

For and on behalf of the Board of Directors

Munish Avasthi
 Chairman-cum-Managing Director
 DIN No.00442425

Naresh Jain
 Executive Director
 DIN No.00254045

Sandeep Sachdeva
 Chief Financial Officer

Lovlesh Verma
 Company Secretary
 Membership No. A34171

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	18949.80	54740.86
Adjustments for :		
Depreciation and amortisation expense	4815.00	4385.91
Premium on Redemption of Preference shares	2965.31	0.00
Interest on Liability Component of Compound Financial Instruments	57.74	60.82
Amortisation of Processing Charges	26.32	28.48
Interest on Unsecured Loan From Directors(Net)	0.00	0.73
Unrealised foreign exchange (Gain)/ Loss on Assets and Liabilities	-155.89	-269.00
Interest & Other Financial Charges	2220.83	2759.83
Allowance for Expected Credit Loss	142.29	10.36
Interest Income	-350.77	-100.46
(Profit)/Loss on sale of Property,plant and equipment (Net)	-2.30	-22.59
Operating Cash flow before Changes In Working Capital	<u>28668.33</u>	<u>61594.94</u>
Adjustments for Working Capital Changes :		
(Increase(-))/Decrease (+) in Inventories	14991.32	-24069.25
(Increase (-))/Decrease (+) in non-current assets	-94.42	-306.51
(Increase (-))/Decrease (+) in current assets	16778.03	-19128.13
Increase (+)/(Decrease (-)) in non-current liabilities	108.86	-186.54
Increase (+)/(Decrease (-)) in current liabilities	-1786.34	5396.50
Cash Generated from Operating Activities	58665.78	23301.01
Income Taxes Paid	-6696.37	-13737.92
Net Cash from/(used in) Operating Activities	<u>51969.41</u>	<u>9563.09</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Payment for Purchase of Property,Plant and Equipment (including Capital work-in-progress) (after adjustment of advances and creditors for capital expenditure)	-36354.01	-7916.41
Proceeds from Sale of Property,Plant and Equipment	3.00	33.37
Amount deposited in Bank balances not considered as cash and cash equivalents	-3181.26	-2436.04
Interest Received	346.79	35.39
Net Cash from/(used in) Investing Activities	<u>-39185.48</u>	<u>-10283.69</u>

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Payment on redemption of Preference Shares	-3185.20	0.00
Expenses pertaining to buyback of Equity Shares	-60.77	0.00
Payment of Lease Liabilities	-12.62	-6.27
Proceeds from Non-Current Borrowings	25409.05	13.71
Repayment of Non-Current Borrowings	-4722.96	-8213.32
Proceeds from Current Borrowings(Net)	0.00	11418.70
Repayment of Current Borrowings (Net)	-26939.35	0.00
Interest on Lease Liabilities Paid	-8.04	-14.39
Interest & Other Financial Charges Paid	-2162.02	-2507.27
Net Cash from/(used in)Financing Activities	<u>-11681.91</u>	<u>691.16</u>
D. Net Increase/ (Decrease) in Cash and Cash Equivalent	1102.02	-29.44
Cash and Cash Equivalent at the beginning of the year	53.54	82.98
Cash and Cash Equivalent at the end of the year	<u>1155.56</u>	<u>53.54</u>

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7- Statement of Cash Flows.

*There is no Non-Cash Transactions arising from financing activities.

Refer Note 8 for components of Cash and Cash Equivalent

See accompanying notes to the financial statements

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

(Sanjiv Mohan)
Partner
M.No.086066

Place: Ludhiana
Date : April 29, 2023

For and on behalf of the Board of Directors

Munish Avasthi
Chairman-cum-Managing Director
DIN No.00442425

Sandeep Sachdeva
Chief Financial Officer

Naresh Jain
Executive Director
DIN No.00254045

Lovlesh Verma
Company Secretary
Membership No. A34171

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023.

NOTE-1 Corporate Information

Sportking India Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 15th February 1989 and has its registered office at Village Kanech, Near Sahnewal G.T. Road, Ludhiana, Punjab -141120. The company is engaged in manufacturing of Cotton Yarn, Synthetic Yarn and Blended Yarn. The Company has manufacturing units at Ludhiana and Bathinda. The company's equity shares are listed at BSE Limited (Bombay Stock Exchange) and NSE (National Stock Exchange).

The financial statements were approved and authorized for issue by the Company's Board of Directors on 29th April 2023.

NOTE-2 Significant Accounting Policies, Significant Accounting Estimates, Judgements and Assumptions and Applicability of New and Revised Ind AS

NOTE- 2.1 Statement of Compliance

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

NOTE- 2.2 Basis of Preparation and Measurement

- (i) The financial statements have been prepared on historical cost convention on accrual basis except for certain financial instruments (including derivative instruments) which are measured at fair value at the end of each reporting period as required under Ind AS.

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
 - Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
 - Level 3 inputs are unobservable inputs for the asset or liability.
- (ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (iii) The functional and presentation currency of the Company is Indian rupees (₹) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

NOTE- 2.3 Significant Accounting Policies:

2.3.1 Revenue Recognition

2.3.1 (a) Sale of products

The company derives revenue primarily from sale of Yarn

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on dispatch/ delivery.

Revenue is measured based on the transaction price (net of variable consideration) which is consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to short nature of credit period given to customers, there is no financing component in the contract.

2.3.1 (b) Sale of services

Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with parties.

2.3.1 (c) Interest Income

- a) Interest Income from customers is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- b) Interest Income from financial asset is recognized when it is probable that economic benefits will flow to the company and amount of income can be measured reliably. Interest income is accrued on time basis, by reference to principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

2.3.1 (d) Insurance and other claims

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

2.3.1 (e) Other Income

Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

2.3.2 Employee Benefits**2.3.2 (a) Short term Employee Benefits:**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. The amount of short term employee benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

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

Provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The company fully contributes all ascertained liabilities to the "Sportking India Limited Employee Group Gratuity Trust" managed by the trustees. The trustees administrate contributions made to the Trust and contributions are invested in the schemes as permitted by the laws of India.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Re-measurements

comprising of actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods. All other expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss.

2.3.2 (c) Other long term employee benefits- Compensated absences

Compensated absences, which are not expected to occur within twelve months after the end of the period in which the employee renders the related service, are recognised at the present value of the obligation based on actuarial valuation as on the reporting date, performed by an independent actuary using projected unit credit method.

The expense related to other long term employee benefits including re- measurements as a result of past experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

2.3.3 Property, plant and equipment:

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment loss, if any. The cost directly attributable to acquisition are capitalised until the property plant and equipment are ready for use as intended by the management.

The cost of an item of Property, plant and equipment comprises of:

- (i) Purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (ii) Any expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- (iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Property, plant and equipment which are not ready for intended use at each balance sheet date are disclosed as "Capital work-in-progress" and advances paid towards the acquisition of Property, plant and equipment outstanding at each balance sheet date are classified as Capital advances under "Other non-current assets".

De-recognition of Property, Plant and Equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The cost and the related accumulated depreciation are eliminated from the financial statements upon disposal or retirement of the asset and any gain or loss arising thereon is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

2.3.4 Intangible Assets

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

Intangible assets are stated at cost or deemed cost applied on transition to Ind AS, less accumulated amortization and impairment, if any. The cost of intangible asset comprises of its purchase price, net of recoverable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as and when incurred.

De-recognition of intangible assets

An intangible asset is derecognised upon disposal or retirement of the asset. The cost and the related accumulated amortization are eliminated from the financial statements upon disposal or retirement of the asset and resultant gains or losses are recognized in the statement of Profit and Loss when the asset is derecognized.

2.3.5 Depreciation and amortization

Depreciation is provided on Property, plant and equipment on straight line method on the basis of useful lives of such assets specified in Schedule II to the Act.

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

Amortization

Intangible assets are amortized on straight line method over the estimated useful life. The amortization method, useful life and residual value are reviewed at each financial year end. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and is as under:

Assets description	Useful Life
Computer Software	5 Years
Electric Line Expenses	5 Years

2.3.6 Inventories

Inventories are valued at cost or net realizable value, whichever is lower except production waste which is valued at net realizable value. The raw materials and other supplies held for use in the production are valued at net realisable value only if the finished products in which they are to be incorporated are expected to be sold below cost. The cost in respect of the various items of inventory is computed as under:

- (i) In case of raw materials at first-in first-out (FIFO) basis. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- (ii) In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- (iii) In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.
- (iv) In case of finished goods at raw material cost plus conversion costs, and other overheads incurred to bring the goods to their present location and condition.

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

2.3.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets i.e. the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.3.8 Earnings per Share

Basic earnings per share is computed by dividing the profit for the period attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to the equity shareholders and

the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

2.3.9 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

Current tax is the tax payable/receivable on the taxable profit/loss for the year using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred tax asset is recognized to the extent, it is probable that future taxable profit will be available against where the deductible temporary differences and tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.3.10 Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

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

When the grants relates to an expense item, it is recognised in the Statement of profit and loss by way of reduction from the related cost, which the grants are intended to compensate, except where the related expense is not directly identifiable. In such cases, the grant is presented in the 'Other Income'.

Government grants that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Company with no related costs is recognised in the Statement of profit or loss of the period in which it becomes receivable under 'Other operating income'/'Other income' based on the nature of grant.

2.3.11 Foreign Currency translations

Transactions in foreign currency are initially recorded in the functional currency i.e. Indian Rupees using the exchange rate prevailing at the date of transactions.

Monetary items denominated in foreign currency are reported using the exchange rate prevailing at the end of reporting period.

The exchange difference arising on the settlement or reporting of monetary items at rates different from rates at which these were initially recorded / reported in previous financial statements, are recognised in the statement of profit and loss in the period in which they arise.

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

2.3.12 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

2.3.13 Leases

(i) Company as a lessee

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Lease liability and Right of Use assets have been separately presented in the financial statements and Lease Payments has been classified as financing cash flows.

(ii) Company as a lessor

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

For operating leases, rental income is recognized in the statement of profit and loss on a systematic basis over the term of the relevant lease. The respective leased assets are presented in the balance sheet based on their nature.

2.3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.3.14 (a) Initial Recognition and measurement

The company recognises the financial assets and financial liabilities when it becomes party to the contractual provision of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets and or issue of financial liabilities that are not recognized at fair value through profit or loss, are added to or reduced from the fair value of the financial assets or financial liabilities, as appropriate. Transaction cost directly attributable to the acquisition of financial assets and financial liabilities recognized at fair value through Profit or Loss are recognised immediately in the Statement of Profit and Loss.

2.3.14 (b) Subsequent measurement

For the purposes of subsequent measurement, financial instruments are classified as follows:

(a) Non-derivative financial instruments*** Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

The carrying amounts of financial assets that are subsequently measured at amortised cost are determined based on the effective interest method less any impairment losses.

**** Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

Fair value movements are recognised in the other comprehensive income (OCI) until the financial asset is derecognised. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the profit and loss.

***** Financial assets at fair value through profit or loss**

A financial asset is subsequently measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Such financial assets are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Dividend and interest income from such instruments is recognized in the statement of profit and loss, when the right to receive the payment is established.

Fair value changes on such assets are recognised in the statement of profit and loss.

****** Financial liabilities**

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

All other financial liabilities are subsequently measured at amortized cost using the effective interest method unless at initial recognition, they are classified as measured at fair value through profit and loss.

Financial liabilities carried at fair value through profit or loss, are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

****Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received. Incremental costs directly attributable to the issuance of equity instruments and buy back of equity instruments are recognized as a deduction from equity, net of any tax effects.

(b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are charged to Statement of Profit and Loss.

(c) Compound financial instruments

The non-convertible non-cumulative preference shares issued by the company that provides for mandatory redemption by the company for a fixed or determinable amount at a fixed or determinable future date has been treated as compound financial instruments as per criteria mentioned in Ind AS 32.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market interest rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs). The remainder of the proceeds is recognised and included in other equity.

2.3.14 (c) De-recognition of financial instrument

- a) A financial asset (or, a part of a financial asset) is primarily derecognized when the contractual right to the cash flows from the financial asset expires, or the company transfers its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received/receivable is recognised in the profit or loss.

- b) A financial liability (or a part of financial liability) is derecognized when obligation specified in the contract is discharged or cancelled or expires.

On de-recognition of a financial liability, the difference between the carrying amount of the financial liability de-recognised and the consideration paid/payable is recognised in profit or loss.

2.3.14 (d) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

2.3.14 (e) Impairment of Financial Assets

Financial assets that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- . The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- . Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

For trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of Ind AS 115 and Ind AS 116, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. The company follows simplified approach does not require the company to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For other assets, the company uses 12 months ECL to provide for impairment loss where no significant increase in credit risk is. If there is significant increase in credit risk full lifetime ECL is used.

2.3.14 (f) Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

2.3.15 Impairment of Non-financial assets

Property, plant and equipment, other intangible assets and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however that the increased carrying amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised in the statement of profit and loss.

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

2.3.16 Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with the original maturity period of three months or less, which are subject to an insignificant risk of changes in value and all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

2.3.17 Statement of Cash flows

The statement of cash flows is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities whereby profit for the period is adjusted for the effects of transaction of a non-cash nature, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

2.3.18 Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement is treated as a separate asset. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

- (ii) A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).
- (iii) A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.
- (iv) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.3.19 Segment Reporting

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

- (1) Segment Revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
- (2) Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses not allocable to segments are included under un allocable expenditure.
- (3) Income not allocable to the segments is included in un allocable income.
- (4) Segment results includes margin on inter segment and sales which are reduced in arriving at the profit before tax of the company.
- (5) Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

NOTE- 2.4: Current – Non-Current Classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

- a) it is expected to be settled in the company's normal operating cycle;

- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterpart, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities

All other liabilities are classified as non-current

Operating cycle

Operating cycle is the time between the acquisition of assets for processing/servicing and their realisation in cash or cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

NOTE- 2.5: Significant Accounting Estimates, Judgements and Assumptions

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amount of income, expenses, assets and liabilities and disclosure of contingent liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and the effect of revision to accounting estimates is recognized prospectively from the period in which the estimate is revised.

Critical accounting estimates, Judgements, and assumptions

i. Income taxes

Significant judgement is required in determination of provision for current tax and deferred tax e.g. determination of taxability of certain incomes and deductibility of certain expenses etc. The carrying amount of income tax assets/liabilities is reviewed at each reporting date. The factors used in estimates may differ from actual outcome which could lead to signification adjustment to the amounts reported in financial statements

ii. Defined Benefit Plans and other post-employment benefits

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, the obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Inventories

Management has estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

iv. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting process. In estimating the fair value of an asset or liability, the company uses market-observable data to the extent is available.

v. Provisions / Contingencies

Significant judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount etc. The Company assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

vi. Useful lives of property plant and equipment and Intangible assets

The estimated useful lives of property plant and equipment and intangible assets are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the known technological advancements, commercial obsolescence of the asset etc.). The useful life of property plant and equipment and intangible assets is reviewed on an ongoing basis.

vii. Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

NOTE- 2.6 Ind AS notified but not yet effective.

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- i. Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements. The Company does not expect this amendment to have any significant impact on its financial statements.
- ii. Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
- iii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

(Amount ₹ in Lakhs unless otherwise stated)

3(a) Property, Plant and Equipment
Carrying value of Property, Plant and Equipment

Particulars	As at 31st March, 2023	As at 31st March, 2022
Land	2263.46	2247.94
Building	25753.75	19161.97
Plant and Equipment	47122.46	16213.68
Furniture and Fixtures	148.51	133.43
Vehicles	191.29	200.44
Office Equipments	131.06	125.25
Total	75610.53	38082.71

The Change in the carrying value of property, Plant and Equipment is as follows:-

Particulars	Cost/Deemed Cost				Accumulated Depreciation				Net Carrying Amount		
	Balance as at 1st April, 2022	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2023	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2023	Balance as at 31st March, 2022	Balance as at 31st March, 2022
Land	2247.94	15.52	0.00	0.00	2263.46	0.00	0.00	0.00	2263.46	2247.94	2247.94
Building	23102.07	7381.32	0.00	0.00	30483.39	789.54	0.00	0.00	4729.64	25753.75	19161.97
Building Lease Hold	64.89	0.00	0.00	0.00	64.89	0.00	0.00	0.00	64.89	0.00	0.00
Plant and Equipment	43859.28	34839.17	2.69	0.00	78695.76	3929.70	2.00	0.00	31573.30	47122.46	16213.68
Furniture and Fixtures	273.50	35.11	0.00	0.00	308.61	20.03	0.00	0.00	160.10	148.51	133.43
Vehicles	447.53	20.81	0.00	0.00	468.34	29.96	0.00	0.00	277.05	191.29	200.44
Office Equipments	252.09	28.99	0.00	0.00	281.08	23.18	0.00	0.00	150.02	131.06	125.25
Total	70247.30	42320.92	2.69	0.00	112565.53	4792.41	2.00	0.00	36955.00	75610.53	38082.71

Particulars	Cost/Deemed Cost				Accumulated Depreciation				Net Carrying Amount		
	Balance as at 1st April, 2021	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2022	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2021	Balance as at 31st March, 2021
Land	1910.11	337.83	0.00	0.00	2247.94	0.00	0.00	0.00	2247.94	1910.11	1910.11
Building	23102.07	0.00	0.00	0.00	23102.07	771.03	0.00	0.00	3940.10	19161.97	19933.00
Building Lease Hold	64.89	0.00	0.00	0.00	64.89	0.00	0.00	0.00	64.89	0.00	0.00
Plant and Equipment	43631.41	395.23	167.36	0.00	43859.28	3510.53	159.00	0.00	27645.60	16213.68	19337.34
Furniture and Fixtures	237.40	36.10	0.00	0.00	273.50	24.02	0.00	0.00	140.07	133.43	121.35
Vehicles	241.30	8.55	97.41	295.09	447.53	30.95	92.54	295.09	247.09	200.44	227.71
Office Equipments	247.01	5.08	0.00	0.00	252.09	21.96	0.00	0.00	126.84	125.25	142.13
Total	69434.19	782.79	264.77	295.09	70247.30	4358.49	251.54	295.09	32164.59	38082.71	41671.64

1. Refer note no. 38 for detail of contractual Commitment towards purchase of Property, Plant and Equipment.
2. Refer note no. 47 for information on Property, Plant and Equipment pledged as security by the company.
3. Refer note no. 55 for the amount of expenditures recognised in the carrying amount of Property, Plant and Equipment/ Capital work -in -progress (CWIP) in the course of its construction.
4. The title deeds of all the immovable properties are held in the name of the Company.
5. The Company has not revalued any of its property, plant and equipment during the year.
6. The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss.

(Amount ₹ in Lakhs unless otherwise stated)

3 (b) Right of Use Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Land and Buildings	62.81	75.65
Total	62.81	75.65

The Change in the carrying value of Right of Use Assets is as follows:-

Particulars	Cost				Accumulated Depreciation				Net Carrying Amount	
	Balance as at 1st April, 2022	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2023	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Land and Buildings	120.33	1.18	0.00	0.00	121.51	14.02	0.00	0.00	58.70	75.65
Total	120.33	1.18	0.00	0.00	121.51	14.02	0.00	0.00	58.70	75.65

Particulars	Cost				Accumulated Depreciation				Net Carrying Amount	
	Balance as at 1st April, 2021	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2022	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2021
Land and Buildings	63.58	56.75	0.00	0.00	120.33	20.32	0.00	0.00	44.68	39.22
Total	63.58	56.75	0.00	0.00	120.33	20.32	0.00	0.00	44.68	39.22

1. Refer Note 42 for other disclosures related to leases.
2. The aggregate depreciation expenses on Right of use asset is included under depreciation and amortization expense in the statement of Profit and Loss.
3. Refer note 42 of lease for Right of Use Assets.

(Amount ₹ in Lakhs unless otherwise stated)

3 (c) Other Intangible Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Computer Softwares	0.31	0.42
Right to use Power Line	22.79	5.93
Total	23.10	6.35

The Change in the carrying value of Other Intangible Assets is as follows:-

Particulars	Cost/Deemed Cost			Accumulated Amortisation				Net Carrying Amount		
	Balance as at 1st April, 2022	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2023	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Other Intangible Assets:										
Computer Softwares	154.99	0.00	0.00	0.00	154.99	0.11	0.00	0.00	154.68	0.42
Electric Line Expenses	35.68	25.32	0.00	0.00	61.00	8.46	0.00	0.00	38.21	5.93
Total	190.67	25.32	0.00	0.00	215.99	8.57	0.00	0.00	192.89	6.35

Particulars	Cost/Deemed Cost			Accumulated Amortisation				Net Carrying Amount		
	Balance as at 1st April, 2021	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2022	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2021
Other Intangible Assets:										
Computer Softwares	154.99	0.00	0.00	0.00	154.99	1.13	0.00	0.00	154.57	1.55
Electric Line Expenses	35.68	0.00	0.00	0.00	35.68	5.97	0.00	0.00	29.75	11.90
Total	190.67	0.00	0.00	0.00	190.67	7.10	0.00	0.00	184.32	13.45

- The intangible assets are not internally generated.
- Software purchased and expenditure on power lines are amortized @20% on straight line basis as the useful life has been estimated to be not more than five years.
- The aggregate amortization expense has been included under depreciation and amortization expense in the statement of Profit and Loss.

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
NOTE -4: Other Financial Assets (Non-Current)		
At Amortised Cost		
a) Fixed Deposits with Banks having maturity period of more than 12 months from reporting date*	122.16	116.80
b) Security Deposits	1667.67	1611.89
Total	<u>1789.83</u>	<u>1728.69</u>

* represents earmarked deposits with bank against term loan.

Refer Note 48 for Classification of Financial Assets

Refer Note 50 for information about credit risk and market risk in respect of financial assets.

NOTE - 5: Other Non-Current Assets

Unsecured considered good

a) Capital Advances	615.92	2229.34
b) Prepaid Expenses	47.04	8.40
Total	<u>662.96</u>	<u>2237.74</u>

NOTE - 6: Inventories

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

a) Raw Material	23967.36	45150.30
b) Raw Material in transit	5875.06	1435.75
c) Work in Progress	2342.11	1869.01
d) Finished Goods	3238.61	2211.85
e) Store and Spares	1774.68	1522.23
Total	<u>37197.82</u>	<u>52189.14</u>

- The method of valuation of inventory has been stated at Note 2.3.6

- The cost of Inventory recognised as an expense during the year is ₹ 161059.16 Lakhs (Previous Year ₹ 123500.83 Lakhs)

- Refer note 47 for information on inventories pledged as security by the company.

NOTE - 7: Trade Receivables

-Secured, Considered good	0.00	0.00
-Unsecured, Considered good	23352.39	41045.14
Less: Allowance for Expected Credit Loss	-27.83	0.00
-Significant increase in Credit Risks	88.88	95.38
Less: Allowance for Expected Credit Loss	-44.44	-27.64
-Credit impaired	0.00	0.00
Total	<u>23369.00</u>	<u>41112.88</u>

Refer note 44(A) for ageing schedule of trade receivables.

Refer note 47 for information about trade receivables pledged as security by the company.

Refer note 43 and 44(C) for information about receivables from related parties including due by firms or private companies respectively in which any director is a partner or a director or a member.

Refer Note 48 for Classification of Financial Assets

Refer note 50 for Credit risks/allowance for expected credit loss related to trade receivables.

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
NOTE - 8: Cash and Cash Equivalents		
Balances with banks in current accounts	22.67	25.38
Fixed deposits with banks having original maturity period of less than 3 months	1120.32	0.00
Cash on hand	12.57	28.16
Total	<u>1155.56</u>	<u>53.54</u>

Refer Note 48 for Classification of Financial Assets

Refer Note 50 for information about credit risk and market risk in respect of financial assets.

NOTE - 9: Bank Balances Other than Cash and Cash Equivalents

Earmarked Fixed deposits with banks

-As margin money against LC for capital goods and other material	5606.90	2431.00
Total	<u>5606.90</u>	<u>2431.00</u>

Refer Note 48 for Classification of Financial Assets

Refer Note 50 for information about credit risk and market risk in respect of financial assets.

NOTE - 10: Other Financial Assets(Current)

At amortized cost

a) Interest receivable	70.03	66.05
b) Security Deposits	6.20	0.50

At Fair value through Profit and Loss

Derivative Financial Instruments	0.00	4.64
Total	<u>76.23</u>	<u>71.19</u>

Refer Note 48 for Classification of Financial Assets

Refer Note 50 for information about credit risk and market risk in respect of financial assets.

NOTE - 11: Other Current Assets

Unsecured Considered Good

a) Prepaid Expenses	241.30	282.43
b) Advance to suppliers*	2581.73	1026.10
c) Recoverable from Government Authorities	6292.25	6632.25
d) Other Recoverables	2068.70	2010.87
Less: Provision for doubtful recoverables	-97.65	0.00
Total	<u>11086.33</u>	<u>9951.65</u>

* Refer note 43 and 44(C) for information about advances to related parties including advances to firms or private companies respectively in which director is a partner or a director or a member.

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
NOTE - 11: OTHER EQUITY		
a) <u>Capital Redemption Reserve</u>		
As at the beginning of the year	0.00	553.80
Add: Transfer from Statement of Profit and Loss	0.00	0.00
As at the end of the year	<u>0.00</u>	<u>553.80</u>
b) <u>Securities Premium Reserve</u>		
As at the beginning of the year	721.00	721.00
Add: On issue of Equity / Preference shares	0.00	0.00
Less: Call in arrears	-27.42	-27.42
b) <u>Securities Premium Reserve</u>		
As per Last Balance Sheet *	-433.61	9.12
Share Capital Foreiture Reserve Account	0.00	0.00
	<u>259.97</u>	<u>702.71</u>
c) <u>Capital Investment Subsidy Reserve</u>		
As at the beginning of the year	90.00	90.00
Add: Changes during the year	0.00	0.00
As at the end of the year	<u>90.00</u>	<u>90.00</u>
d) <u>General Reserve</u>		
As at the beginning of the year	3.00	3.00
Add: Changes during the year		
As at the end of the year	<u>3.00</u>	<u>3.00</u>
e) <u>Retained Earnings</u>		
As at the beginning of the year	67315.79	25260.24
Add: As per Statement of profit and loss	13270.20	41059.01
Less: Transfer to Capital Redemption Reserve	0.00	0.00
Less: Adjustment relating to Property, Plant and Equipment	0.00	0.00
Add: Pref share capital redemption	0.00	0.00
Less: Buy Back Expenses	-60.77	0.00
Add: Tax on Buy Back	15.29	0.00
As at the end of the year	<u>80540.50</u>	<u>66319.25</u>
f) <u>Equity component of preference share capital</u>		
As at the beginning of the year	7733.04	7733.04
Add: Changes during the year	0.00	0.00
As at the end of the year	<u>7733.04</u>	<u>7733.04</u>
	<u>88626.52</u>	<u>75401.80</u>

(Amount ₹ in Lakhs unless otherwise stated)

NOTE-12: Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital				
Equity Shares of ₹ 10/- each	15000000	1500.00	15000000	1500.00
Total	15000000	1500.00	15000000	1500.00
Issued,Subscribed and fully paid up equity share capital				
Equity Shares of ₹ 10/-each fully paid up	13287200	1328.72	13287200	1328.72
Add : Amount paid up on forfeited Equity Shares		16.08		16.08
Total	13287200	1344.80	13287200	1344.80

i) Rights,preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each share holder is entitled for one vote per share. The dividend if any proposed by the Board of Directors will be subject to approval of the share holders in the ensuing Annual General Meeting except interim dividend which is approved by Board of Directors. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by each equity share holder.

ii) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Amount	Number of Shares	Amount
As at the beginning of the Year	13287200	1344.80	3321800	348.26
Add/(Less) :Movement during the Year				
-Bonus shares issued during the year	0.00	0.00	9965400	996.54
As at the end of the Year	13287200	1344.80	13287200	1344.80

iii) Detail of Shares held by the holding company

There is no holding/ultimate holding company of the company.

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

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sobhagia Logistics Pvt Ltd.	3195940	24.05	3195940	24.05
Angel Finvest (P) Limited	1951600	14.69	1951600	14.69
Sobhagia Sales Private Limited	1702260	12.81	1702260	12.81
Raj Kumar Avasthi*	1286000	9.68	1286000	9.68
Munish Avasthi	970422	7.30	970422	7.30

*Sh. Raj Kumar Avasthi passed away on 23rd July 2022 . The Company is yet to receive a request for transmission of his shares; therefore shares are still held in his name only as at the end of the year.

(Amount ₹ in Lakhs unless otherwise stated)

- v) Aggregate number of Equity Shares issued for consideration other than cash, allotted by way of bonus shares, bought back for the period of five years immediately preceding the reporting date:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Allotted as Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Allotted as Fully paid up by way of bonus shares #	-	9965400	-	-	-
Shares bought back	-	-	-	-	-

- vi) Details of Shareholdings by the Promoters and Promoter's Group of the Company

Name	As at 31st March, 2023		As at 31st March, 2022		% change
	No of Shares	% of Total shares	No of Shares	% of Total shares	
Sobhagia Logistics Pvt Ltd.	3195940	24.05	3195940	24.05	0.00
Angel Finvest Private Limited	1951600	14.69	1951600	14.69	0.00
Sobhagia Sales Private Limited	1702260	12.81	1702260	12.81	0.00
Raj Kumar Avasthi*	1286000	9.68	1286000	9.68	0.00
Munish Avasthi	970422	7.30	970422	7.30	0.00
Parveen Avasthi	650000	4.89	650000	4.89	0.00
Aradhna Knitwears Private Limited	72572	0.55	72572	0.55	0.00
Suraj Dada	8800	0.07	8800	0.07	0.00
Anjali Avasthi	8454	0.06	8454	0.06	0.00
Anjali Dada	6000	0.05	6000	0.05	0.00
Total	9852048	74.15	9852048	74.15	0.00

Name	As at 31st March, 2022		As at 31st March, 2021		% change
	No of Shares	% of Total shares	No of Shares	% of Total shares	
Sobhagia Logistics Pvt Ltd.	3195940	24.05	798985	24.05	0.00
Angel Finvest Private Limited	1951600	14.69	487900	14.69	0.00
Sobhagia Sales Private Limited	1702260	12.81	425565	12.81	0.00
Raj Kumar Avasthi*	1286000	9.68	321500	9.68	0.00
Munish Avasthi	970422	7.30	240700	7.25	0.05
Parveen Avasthi	650000	4.89	162500	4.89	0.00
Aradhna Knitwears Private Limited	72572	0.55	21600	0.65	-0.10
Suraj Dada	8800	0.07	2200	0.07	0.00
Anjali Avasthi	8454	0.06	1000	0.03	0.03
Anjali Dada	6000	0.05	1500	0.05	0.00
Total	9852048	74.15	2463450	74.17	-0.02

*Sh. Raj Kumar Avasthi passed away on 23rd July 2022. The Company is yet to receive a request for transmission of his shares; therefore shares are still held in his name only as at the end of the year

Note: The disclosure of shareholding of Promoter and Promoter's Group is based on shareholding pattern filed with Bombay Stock Exchange (BSE) / National Stock Exchange of India Limited (NSE) under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Amount ₹ in Lakhs unless otherwise stated)

NOTE 13: Other Equity

Particulars	Equity Component of Compound Financial Instruments (Inclusive of Securities Premium)*	Reserve and Surplus				other comprehensive income (remeasurement of defined benefit plans)	Total
		Capital Redemption Reserve	Securities Premium	Retained Earnings	General Reserve		
Balance as at 1st April, 2021	7733.04	553.80	702.71	26250.34	3.00	96.44	35339.33
Bonus shares issued during the year	0.00	-553.80	-442.74	0.00	0.00	0.00	-996.54
Profit for the year	0.00	0.00	0.00	40924.92	0.00	0.00	40924.92
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	134.09	134.09
Balance as at 31st March 2022	7733.04	0.00	259.97	67175.26	3.00	230.53	75401.80
Balance as at 1st April, 2022	7733.04	0.00	259.97	67175.26	3.00	230.53	75401.80
Profit for the year	0.00	0.00	0.00	13198.20	0.00	0.00	13198.20
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	72.00	72.00
Traansferred to retained earnings	0.00	0.00	0.00	302.53	0.00	-302.53	0.00
Traansferred from retained earnings to capital redemption reserve on account of redemption of preference shares	0.00	318.52	0.00	-318.52	0.00	0.00	0.00
Expenses pertaining to buyback of Equity Shares (net of tax benefits) (refer note 58)	0.00	0.00	0.00	-45.48	0.00	0.00	-45.48
Balance as at 31st March, 2023	7733.04	318.52	259.97	80311.99	3.00	0.00	88626.52

* Equity Component of Compound Financial Instruments (Inclusive of Securities Premium) includes equity component of ₹ 1613.28 Lakhs in respect of preference shares redeemed till 31st March, 2023 (₹ 662.55 Lakhs till 31st March, 2022)

(i) Nature and Purpose of Reserve
1) Equity Component of Compound Financial Instruments

The fair value of the liability component of non- convertible preference shares issued by the company has been determined using a effective interest rate for an equivalent non-convertible instrument and the said amount is classified as a financial liability. The remainder of the proceeds is recognised as 'Equity Component of Compound Financial Instruments' in other equity as per provisions of Ind AS 32.

2) Capital Redemption Reserve

Capital redemption reserve is created out of profits for redemptions of capital.

3) Securities Premium

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

4) General Reserve

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

5) Retained Earnings

Retained earnings represents to net earnings not paid out as dividend but retained by the company to be reinvested in its core business. The amount is available for distribution of dividend to its equity shareholders. It also includes balance of remeasurment of net defined benefit obligation (net of taxes)

6) Reserve for other items through Other comprehensive income

The reserve represents cumulative gains and losses on remeasurement of defined benefit plan (net of taxes). The balance in Other Comprehensive income can be transferred to Other Components of equity i.e. retained earnings as and when the company decides to do so. The company has decided to transfer the said amount to retained earning during the year.

(Amount ₹ in Lakhs unless otherwise stated)

(ii) Details of Preference Share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised Share capital				
5% Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10/- each	20000000	2000.00	20000000	2000.00
Issued, subscribed and fully paid-up Preference Share capital				
5% Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10/- each fully paid up	6832000	683.20	10017200	1001.72

Rights, preferences and restrictions attached to preference shares

Preference shares are having preference over equity shares in respect of payment of dividend and repayment of capital over equity shareholders and is entitled to voting rights in the resolutions directly affecting their interest. Preference shares are redeemable within 20 years from the date of allotment. The Board of directors has not decided the date of redemption yet.

The preference shares are presented in the balance sheet as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
As at the beginning of the year(A)		
Face value of Preference Shares Issued	1001.72	1001.72
Add: Securities Premium	6945.10	6945.10
Total	7946.82	7946.82
Changes during the year (B)		
Face value of shares redeemed during year	318.52	0.00
Securities Premium of shares redeemed during year	796.30	0.00
Total	1114.82	0.00
As at the end of the year (C=A-B)	6832.00	7946.82
Liability component shown under borrowings at the inception in respect of shares outstanding as at the end of the year (D)	712.24	876.32
Equity component in respect of shares as at the end of the year (E=C-D)	6119.76	7070.50
Equity Component in respect of preference shares redeemed till date (F)	1613.28	662.55
Equity component shown under other equity (E+F)	7733.04	7733.04

The detail of redemption of preference shares is as follows:

Farest Date by which Redemption is to be done as per date of allotment	No. of Shares	
	As at 31st March, 2023	As at 31st March, 2022
31.07.2026	0	885200
31.03.2031	0	2300000
31.03.2032	2892000	2892000
04.10.2038	1500000	1500000
22.01.2041	1250000	1250000
07.02.2041	1190000	1190000
Total	6832000	10017200

(Amount ₹ in Lakhs unless otherwise stated)

Details of shares held by promoter and shareholders holding more than 5% shares:

Name of holders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sobhagia Sales Private Limited	1733000	25.37%	3678200	36.72%
Raj Kumar Avasthi*	2770000	40.54%	2770000	27.65%
Sobhagia Clothing Co. (Through Partners)	0	0.00%	1240000	12.38%
Munish Avasthi	1225000	17.93%	1225000	12.23%
Angel Finvest (P) Limited	604000	8.84%	604000	6.03%
Anjali Avasthi	450000	6.59%	450000	4.49%
Parveen Avasthi	50000	0.73%	50000	0.50%

*Sh. Raj Kumar Avasthi passed away on 23rd July 2022. The Company is yet to receive a request for transmission of his shares; therefore shares are still held in his name only as at the end of the year

Reconciliation of the Number of Preference shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the reporting period	10017200	1001.72	10017200	1001.72
Add: Issued during the year	0	0.00	0	0.00
Less: Redeemed during the year	3185200	318.52	0	0.00
At the end of the reporting period	6832000	683.20	10017200	1001.72

Particulars	As at 31 March, 2023	As at 31 March, 2022
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NOTE 14: Borrowings (Non-Current)
At Amortised Cost
i) From Banks (Secured)
i) Term Loans :

Rupee Loans	29513.70	14892.28
Foreign Currency Loans	6219.13	0.00
Total (A)	35732.83	14892.28
Less:-		
Unamortised Processing Charges	93.23	93.80
Interest accrued and not due	116.00	8.79
Current Maturities of Long Term Debt	2128.25	1715.73
Total (B)	2337.48	1818.32
Net Non-Current Borrowings from banks (A-B)	33395.35	13073.96

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
ii) From Others (Unsecured)		
Liability Component of Compound Financial Instruments *	871.21	1033.37
Total	<u>34266.56</u>	<u>14107.33</u>

*Liability component of 5% Non- Cumulative Redeemable Preference Shares includes unwinding of interest of ₹ 182.19 Lakhs upto 31st March 2023 (₹ 209.84 Lakhs upto 31st March 2022) using effective interest method to the liability component.

Refer Note 48 for Classification of Financial liabilities

Refer note 50 for information about liquidity risk in respect of financial liabilities

Notes:

i) Nature of security against terms loans

Primary Security:-

i) First pari passu charge on hypothecation of entire fixed assets of the Company (both present and future).

Collateral Security:-

ii) Second pari passu charge on hypothecation of entire Current assets of the company (both present and future).

Core Collateral Security:-

First pari passu charge on industrial plot situated at Village Barmalipur, Ludhiana owned by promoters and First pari passu charge on Building owned by Sportking India Ltd. on same land.

All term loans (other than vehicle loans) are further guaranteed by Sh. Munish Avasthi (Managing Director).

ii) The vehicle loans are secured against hypothecation of respective vehicles.

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

NOTE - 15 Lease Liabilities (Non-Current)

At Amortised Cost

Lease Liabilities (also refer note 42)	58.17	63.72
Total	<u>58.17</u>	<u>63.72</u>

Refer Note 48 for Classification of Financial liabilities

NOTE - 16 Provisions (Non-Current)

Provision of employee benefits:

a) Gratuity	910.03	807.38
b) Compensated absences	315.00	308.78
Total	<u>1225.03</u>	<u>1116.16</u>

Also refer note 41

NOTE - 17: Deferred Tax Liabilities (Net)

Deferred Tax Liabilities (A)	2505.00	1566.00
Deferred Tax Assets (B)	-360.00	-302.00
Deferred Tax Liabilities (Net) (C=A-B)	<u>2145.00</u>	<u>1264.00</u>

Also refer Note 36 for detail and movement in deferred tax liabilities and assets

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
NOTE - 18: Borrowings (Current)		
I. Working Capital Loans repayable on demand		
From Banks		
Secured		
(a) Cash Credit (Rupee Loans)	1804.47	2261.77
(b) Export Packing Credit Loans (Foreign Currency Loans)	6484.96	19314.01
(c) Buyer's Credit (Foreign Currency Loans)	2662.54	0.00
Unsecured		
Discounted Trade Receivables (Foreign Currency/Rupee Loans) (Refer note below)	0.00	16278.24
II. Current Maturities of Long term Debt (secured)		
-From banks	2128.25	1715.73
Total	<u>13080.22</u>	<u>39569.75</u>

As the company has not transferred the significant risks and rewards related to discounted trade receivables, it continue to recognize the full carrying amount of discounted trade receivables in current assets and recognising the cash received as unsecured borrowings.

Refer Note 48 for Classification of Financial liabilities

Refer note 50 for information about liquidity risk in respect of financial liabilities

<u>Terms of repayment</u>	As at 31st March, 2023		As At 31st March, 2022	
	Amount	Rate of Interest.	Amount	Rate of Interest.
	(in Lakhs)	(%age)	(in Lakhs)	(%age)
<u>Cash Credit (Rupee Loans)</u>				
State Bank of India	1279.32	7.95 to 9.15	1125.21	7.90 to 8.95
Punjab National Bank	349.89	7.35 to 9.05	1054.13	7.90 to 10.50
Central Bank of India	-6.96	8.80 to 8.90	-3.28	8.90 to 11.25
Union Bank of India	182.22	7.35 to 8.40	85.71	7.35
Total	<u>1804.47</u>		<u>2261.77</u>	
<u>Export Packing Credit Loans (Foreign Currency Loans)</u>				
State Bank of India	613.71	1.75 to 5.85	10744.20	1.15 to 1.83
Punjab National Bank	4720.80	1.75 to 5.85	3538.99	1.15 to 2.07
Union Bank of India	1150.45	1.75 to 6.00	5030.82	
Total	<u>6484.96</u>		<u>19314.01</u>	
<u>Buyer's Credit (Foreign Currency Loans)</u>				
Indian Bank (Foreign Offices)	2662.54	3.07	0.00	0.00
Total	<u>2662.54</u>		<u>0.00</u>	

(Amount ₹ in Lakhs unless otherwise stated)

Nature of security
Primary Security:-

- i) First pari passu charge on hypothecation of stocks of raw material, stock in process and finished goods, recoverables/book debts and other current assets (both present and future).

Collateral Security:-

- ii) Second pari passu charge on hypothecation of entire fixed assets of the company (both present and future).

Core Collateral Security:-

First pari passu charge on industrial plot situated at Village Barmalipur, Ludhiana owned by promoters and First pari passu charge on Building owned by Sportking India Ltd. on same land.

* For securities refer note no. 14

Particulars	As at 31 March, 2023	As at 31 March, 2022
NOTE - 19: Lease Liabilities (Current)		
At Amortised Cost		
Lease Liabilities (also refer note 42)	13.82	19.72
Total	13.82	19.72

Refer Note 48 for Classification of Financial liabilities

Refer note 50 for information about liquidity risk in respect of financial liabilities

NOTE - 20: Trade Payables

(A) Total outstanding dues of Micro Enterprises and Small Enterprises	67.51	38.54
(B) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises*	10261.61	12405.02
Total	10329.12	12443.56

* Includes acceptance payables of ₹ 1173.73 Lakhs (previous year ₹ 5325.84 Lakhs) under usance letter of credit(s) issued by banks which are secured against the assets as referred to in note 18.

Refer note 44(B) for ageing schedule of trade payables.

Refer note 40 for disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006

Refer note 43 and 44(C) for information about payables to related parties including payables to firms or private companies respectively in which any director is a partner or a director or a member.

Refer Note 48 for Classification of Financial liabilities

Refer note 50 for information about liquidity risk in respect of financial liabilities

NOTE - 21: Other Financial Liabilities (Current)
Financial Liabilities at amortized cost

a) Interest accrued and not due on borrowings	140.61	64.10
b) Payables for purchase of Property, Plant and Equipments		
(A) Total outstanding dues of Micro Enterprises and Small Enterprises	6.81	0.00
(B) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises*	148.76	2437.56
c) Other Payables		
- Security Deposit/Retention Money	284.78	48.07
- Dues to Employees	1976.87	1724.80
- Dues to Others	1736.79	2131.48

Financial Liabilities at Fair Value through Profit and Loss

Derivative Financial Instruments	50.23	0.00
Total	4344.85	6406.01

* Total Outstanding includes acceptance payable amounting to ₹ Nil (Previous Year ₹ 2329.97) against which a fixed deposit of ₹ Nil (Previous Year ₹ 2431) has been given to the bank as margin money.

Refer Note 48 for Classification of Financial liabilities

Refer note 50 for information about liquidity risk in respect of financial liabilities.

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
NOTE - 22: Other Current Liabilities		
a) Advances From Customers	787.14	612.71
b) Statutory Remittances	273.75	277.13
Total	1060.89	889.84
NOTE - 23: Provisions (Current)		
Provision of Employee Benefits:		
a) Gratuity	47.36	57.31
b) Compensated absences	14.23	16.01
Total	61.59	73.32
Also refer Note 41		
NOTE - 24: Income Tax (Liabilities) / Assets		
<u>I. Income tax liabilities</u>		
Provision for Current Year	4871.88	13852.65
Less: Taxes Paid	3948.97	11118.45
Total	922.91	2734.20
<u>II. Income tax assets</u>		
Refund Receivable	176.34	170.79
Total	176.34	170.79
Income Tax Liabilities	922.91	2734.20
Income Tax Assets	176.34	170.79
NOTE - 25: Revenue from operations		
a) Sale of Products	215621.85	209995.74
b) Sale of Services	115.65	111.69
c) Other Operating Revenue	4764.80	5293.75
Total	220502.30	215401.18
a) Detail of sale of products		
i) Yarn		
-Export	96000.40	118499.43
-Domestic	96150.84	75700.51
Total	192151.24	194199.94
ii) Waste		
-Export	4231.68	3502.94
-Domestic	17802.75	11352.94
Total	22034.43	14855.88

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
iii) Traded Goods/Fibre-Cotton & Synthetic	1436.18	939.92
	215621.85	209995.74
b) Detail of Sale of Services		
Job Work Charges	115.65	111.69
	115.65	111.69
c) Details of Other Operating Revenue		
Export Incentives	4507.46	5108.47
Others	257.34	185.28
	4764.80	5293.75

Refer note 45 for disclosures as per Ind AS 115 "Revenue from Contracts with Customers"

NOTE - 26: Other Income

a) Profit on sale of Property, Plant and Equipment (Net)	2.30	22.59
b) Rent Received	4.51	4.45
c) Interest Income on financial assets carried at amortized cost	350.77	108.40
d) Gain on Foreign Exchange Fluctuation (net)	703.25	1724.11
e) Govt. Grant against EPCG Licenses	0.00	251.97
f) Others	91.59	303.59
Total	1152.42	2415.12

NOTE -27: Cost of materials consumed
Raw Material Consumed*

Opening Stock	46586.05	24142.34
Add : Purchases	139041.91	140546.49
	185627.96	164688.83
Less : Closing Stock	29842.42	46586.05
Total	155785.54	118102.78

*Includes cost of raw material sold

Detail of Raw Material consumed

Raw Cotton	136280.94	100865.16
Manmade Fibre	19504.60	17237.62
Total	155785.54	118102.78

NOTE - 28: Purchase of stock- in- trade

Yarn	88.14	18.99
Total	88.14	18.99

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
NOTE - 29: Change in inventories of Work-In-Progress and Finished Goods		
Inventories at the beginning of the period		
Work-In-Progress	1869.01	1256.72
Finished Goods	2211.85	1383.52
	<u>4080.86</u>	<u>2640.24</u>
Inventories at the end of the period		
Work-In-Progress	2342.11	1869.01
Finished Goods	3238.61	2211.85
	<u>5580.72</u>	<u>4080.86</u>
(Increase)/Decrease In Stock	<u>-1499.86</u>	<u>-1440.62</u>
NOTE - 30: Employee benefits Expense		
Salaries and Wages	10518.97	9502.75
Contribution to Provident and Other Funds	1018.68	888.90
Staff Welfare expense	108.37	89.90
Total	<u>11646.02</u>	<u>10481.55</u>
NOTE - 31: Finance Cost		
a) Interest on Bank Borrowings	1472.57	1384.89
b) Foreign Exchange Fluctuation on Foreign Currency Loans (To the extent regarded as an adjustment to Interest Cost)	260.72	838.94
c) Interest on lease liabilities	8.03	14.39
d) Interest on Income Tax	389.57	244.01
e) Other Borrowing Costs	174.00	375.58
Total	<u>2304.89</u>	<u>2857.81</u>
NOTE - 32: Other Expenses		
Manufacturing Expenses		
Power and Fuel	11916.85	12023.27
Freight, Cartage, Loading/Unloading Expenses	252.70	226.08
Packing Material	1934.87	2169.01
Dyes and Chemicals	944.36	940.57
Stores and Spares	1075.88	1048.83
Repairs to Machinery	2011.99	2040.25
Total	<u>18136.65</u>	<u>18448.01</u>

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Administrative expenses		
Building Repair	83.16	75.49
Rent	0.60	0.50
Fees and Taxes	100.26	51.25
Professional Charges	91.24	69.02
Printing and Stationery	37.39	36.65
Postage and Telegram	13.15	13.04
Telephone Expenses	6.81	6.76
Insurance	308.01	281.66
Vehicle Maintenance	77.48	96.98
Charity and Donation	0.82	0.52
Corporate Social Responsibility Expense (also refer note 54)	455.79	17.19
Travelling and Conveyance	136.89	80.56
Entertainment Expenses	2.06	1.90
Director's Sitting Fee	1.40	1.40
Payment to Auditors*	12.49	12.10
Festival Expenses	39.17	52.60
Worker's Conveyance	470.49	422.20
Advertisement Expenses	13.36	5.14
Bad Debts Written Off	0.00	0.00
Allowance for Expected Credit Loss	44.63	10.36
Provision for doubtful recoverables	97.65	0.00
Prior Period Expenses	0.07	0.00
Bank Charges	318.63	329.58
Miscellaneous Expenses**	205.06	500.62
Total	2516.61	2065.52
Selling and Distribution expenses		
Freight, Clearing and Forwarding charges and Loading/Unloading Expenses on Sales	4188.21	5938.17
Rebate and discount	94.91	63.79
Commission	1663.50	2153.53
Total	5946.62	8155.49
Total	26599.89	28669.02
* Payment to Auditors		
-Audit Fee	9.00	9.00
-Tax Audit Fee	2.00	2.00
-Others - taxation	0.00	0.00
-Reimbursement of Expenses	1.49	1.10
	12.49	12.10

** Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
NOTE - 33: Exceptional Items		
Premium Paid on Redemption of Preference Shares*	2965.31	0.00
Total	2965.31	0.00

*31,85,200 5% Non-Convertible Non-Cumulative Redeemable Preference Shares of face value of ₹ 10/- each (issued during FY 2006-07 and 2010-11 at premium of ₹ 25/- per Share) were redeemed during the year ended 31st March 2023 at a premium of ₹ 90/- per share. The difference of ₹ 2965.31 Lakhs between the carrying amount of the liability component of the said redeemed Preference Shares of ₹ 219.89 Lakhs and redemption/consideration amount of ₹ 3185.20 Lakhs has been recognised as premium on redemption of Preference Shares as an Exceptional Item/Expense in the statement of profit and loss. The said Preference Shares were redeemed out of the profits of the Company.

NOTE-34: Tax Expense recognized
(a) Tax expense recognized in Statement of Profit and loss

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax expense	4887.18	13852.65
Tax adjustment related to earlier years	7.64	-31.62
Deferred tax expense	856.78	-5.09
Total	5751.60	13815.94

(b) Reconciliation of tax expense after the application of statutory tax rate on Profit before tax

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before tax	18949.80	54740.86
Tax at Indian tax rate of 25.168%	4769.29	13777.18
Tax effect of adjustments to reconcile expected income tax expense with reported income tax expense		
-Expenses not deductible for tax purpose	986.59	256.92
-Expenses/deductions allowable for tax purpose	-11.92	-186.54
-Tax adjustment related to earlier years	7.64	-31.62
Income tax expense	5751.60	13815.94

(c) Tax expense recognized in other comprehensive income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax expense	0.00	0.00
Deferred tax expense on remeasurement of Defined Benefit Plans	24.22	45.09
Total	24.22	45.09

(Amount ₹ in Lakhs unless otherwise stated)

(d) Tax expense recognized directly in equity

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax on expenses pertaining to buyback of Equity Shares	-15.30	0.00
Total	-15.30	0.00

Disclosure in relation to Undisclosed Income

During the year, the Company has not surrendered or undisclosed any income in the tax assessments under the Income Tax Act, 1961. There are no transaction which are not recorded in the books of account.

NOTE-35 : Movement in Deferred Tax Assets and Liabilities

Particulars	As at 1st April, 2022	Recognized in profit or loss	Recognized in OCI	As at 31st March, 2023
Deferred tax liability				
Difference between carrying value of Property plant and equipment as per books of account and Income tax	1542.00	939.00	0.00	2481.00
Unamortized processing charges on term Loans	24.00	0.00	0.00	24.00
Total (A)	1566.00	939.00	0.00	2505.00
Deferred tax Asset				
Provision for post retirement benefits and other employee benefits	299.00	48.22	-24.22	323.00
Allowances for expected credit loss/ Provision for doubtful recoverables	3.00	34.00	0.00	37.00
Total (B)	302.00	82.22	-24.22	360.00
Deferred tax liability (Net)C= (A-B)	1264.00	856.78	24.22	2145.00

Particulars	As at 1st April, 2021	Recognized in profit or loss	Recognized in OCI	As at 31st March, 2022
Deferred tax liability				
Difference between carrying value of Property plant and equipment as per books of account and Income tax	1600.00	-58.00	0.00	1542.00
Unamortized processing charges on term Loans	26.00	-2.00	0.00	24.00
Total (A)	1626.00	-60.00	0.00	1566.00
Deferred tax Asset				
Provision for post retirement benefits and other employee benefits	282.00	62.10	-45.10	299.00
Deferred Govt. Grant	63.00	-63.00	0.00	0.00
Allowances for expected credit loss/ Provision for doubtful recoverables	3.00	0.00	0.00	3.00
Deferred Income for Govt. Grant against EPCG Licenses	54.00	-54.00	0.00	0.00
Total (B)	402.00	-54.90	-45.10	302.00
Deferred tax liability (Net)C= (A-B)	1224.00	-5.10	45.10	1264.00

There are no unrecognised deferred tax assets as at 31st March, 2023 and 31st March, 2022 .

Deferred tax assets and liabilities have been set off as they are governed by the same taxation laws.

(Amount ₹ in Lakhs unless otherwise stated)

Note- 36 : Government Grants
(i) Government grants recognised in the financial statements

SL. No.	Particulars	Treatment in financial statements	Grants recognised		Grants recoverable	
			Year ended 31st March, 2023	Year ended 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a	Government grant shown as other operating revenue (refer note 25)					
a.1	Export Incentive in the form of Duty Drawback and Rodtep	Presented under 'Other Operating Revenue' (refer note 25)	4507.46	5108.47	1022.88	2392.00
	Total (a)		4507.46	5108.47	1022.88	2392.00
b	Government grant shown as other income					
b.1	Government Grant against EPCG Licenses	Presented under 'Other income' (refer note 26)	0.00	251.97	0.00	0.00
	Total (b)		0.00	251.97	0.00	0.00
c	Government grant deducted from respective expense					
c.1	Exemption of electricity duty in accordance with industrial and business development policy of Government of Punjab.	Deducted from Power & Fuel (refer note 32)	1005.08	1036.17	56.69	630.17
	Total (c)		1005.08	1036.17	56.69	630.17
	Grand total of Government grants recognised & Grants Recoverable (a+b+c)		5512.54	6396.61	1079.57	3022.17

(ii) Movement of deferred government grant:

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	As at the beginning of the year	-	251.97
2	Income recognized during the year	-	251.97
3	As at the end of the year	-	-

NOTE-37: Earnings Per Share

Sr.No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
a)	Profit after tax for the year attributable to Equity Shareholders (Rs. in lakh)	13198.20	40924.92
b)	Weighted average number of equity shares (in No's)	13287200	13287200
c)	Basic Earnings per share (in Rs.)	99.33	308.00
d)	Diluted Earnings per share (in Rs.) *	99.33	308.00
e)	Nominal Value per share (in Rs.)	10.00	10.00

*There are no dilutive potential equity shares.

(Amount ₹ in Lakhs unless otherwise stated)

NOTE-38: Contingent Liabilities and Commitments
(a) Contingent Liabilities

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
a)	Disputed Income Tax Liabilities of cases pending with appellate authorities.*	989.63	960.77
b)	Disputed Excise Liabilities of cases pending with appellate authorities	44.87	44.87
c)	Disputed Electricity Liabilities of cases pending with appellate authorities.	415.00	415.00

*Amount deposited/adjusted against outstanding demand is ₹ 105.13 Lakhs (Previous year ₹ 91.91 Lakhs).

Above figures are exclusive of interest accrued.

Note: Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decision in the company's favour in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations. Future cash flows in respect of above will be determined only on receipt of judgments/decisions pending with revenue/ judicial authorities.

(b) Commitments

(Amount ₹ in Lakhs unless otherwise stated)

Sr.No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
a)	Commitments on account of Capital account remaining to be executed (Net of Advances) (out of which Letter of Credits ₹ 1172.31PY ₹ 8946.18 Lakhs) net of margin. (Figures are exclusive of GST)	6786.40	30960.92
b)	Bonds against un-fulfilled export obligations under Export Promotion Capital Goods/Duty Exemption scheme	5507.91	1510.84

NOTE – 39: Impairment of Assets

In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of account.

NOTE-40: Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Amount remaining unpaid to suppliers as at the end of year.		
- Principal amount (including Payables for purchase of Property, Plant and Equipments)	74.32	38.54
- Interest due thereon	0.28	0.01
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	1.23	2.77
(d) Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	1.23	2.77
- Interest remaining unpaid as at the end of the year	1.23	2.77
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: The amounts have been determined to the extent such parties have been identified on the basis of information available with the company. Above interest will be paid on demand basis.

(Amount ₹ in Lakhs unless otherwise stated)

NOTE-41: Disclosures on 'Employee Benefits'
(A) Defined Contribution Plan

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Provident Fund administered through Regional Provident Fund Commissioner	681.05	586.87

Defined Benefit Plan
Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. This defined benefit plan of gratuity is administered by a separate trust that is a legally separate entity. The Company makes annual contributions to the trust and trust is responsible for investments with regard to the assets of the trust. The contributions are generally invested by the trust in a scheme with Life Insurance Corporation of India or other insurer as permitted by Law. The Company accounts for the liability for gratuity benefits payable in the future based on actuarial valuation using projected unit credit method. Each year, the Company review the level of funding. Such a review includes the asset-liability matching strategy and assessment of the investment risk.

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

(i) Investment risk

If the actual return on plan assets is below the expected return, it will create plan deficit

(ii) Salary risk

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

(iii) Interest risk

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

(iv) Longevity risk

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

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

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Present value obligation as at beginning of the year	1037.55	1010.68
Interest cost	75.69	69.18
Current Service cost	236.55	230.37
Benefits Paid	-111.29	-86.63
Change in Financial Assumptions	-31.15	-67.59
Actuarial (gain)/ loss on Obligation	-65.61	-118.46
Present value obligation as at end of the year	1141.74	1037.55

(Amount ₹ in Lakhs unless otherwise stated)

(b) Movement in Fair Value of Plan Asset

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Fair value of Plan Assets as at beginning of the year	172.86	168.88
Interest Income	12.61	11.56
Contributions	7.00	13.00
Benefits Paid	-1.58	-7.82
Expenses Deducted	-6.00	-5.89
Remeasurement- Return on plan assets excluding amount included in interest income	-0.54	-6.87
Fair value of Plan Assets as at end of the year	184.35	172.86

(c) Amount recognized in Balance Sheet:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Present value obligation as at end of the year	1141.74	1037.55
Fair value of Plan Assets as at end of the year	184.35	172.86
Surplus/(Deficit)	-957.39	-864.69
Effect of asset ceiling if any	0.00	0.00
Net Asset/(Liability) recognized in balance sheet	-957.39	-864.69

The above liability includes short term liability of ₹ 47.36 Lakhs (previous year ₹ 57.31 Lakhs)

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current service cost	236.55	230.37
Net Interest on net defined benefit liability / (asset)	63.08	57.62
Total Expense recognized in statement of Profit and Loss	299.63	287.99

The above amount has been included in Note 30 "Employee Benefit Expenses" under the head "Salaries and Wages" in the statement of Profit and Loss.

(Amount ₹ in Lakhs unless otherwise stated)

(e) Amount recognized in Other Comprehensive Income:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Actuarial (gain)/loss for the year on Obligation	-96.76	-186.05
Re-measurement- Return on plan assets (excluding amount included in net Interest on net defined benefit liability/(asset))	0.54	6.87
Expense/(Income) recognized in Other Comprehensive Income	-96.22	-179.18
Bifurcation of Actuarial Gain/Loss on obligation		
1. Actuarial changes arising from changes in demographic assumptions (Gain/ (Loss))	0.00	0.00
2. Actuarial changes arising from changes in financial assumptions (Gain/ (Loss))	-31.15	-67.59
3. Actuarial changes arising from changes in experience adjustments (Gain)/ (Loss)	-65.61	-118.46

(f) Investment details of Fund:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Funds Managed by Insurer (Investment fund with Insurance co)	184.35	172.86
Total	184.35	172.86

(g) The principal assumption used for the purpose of actuarial valuation were as follows

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Discount Rate (per annum)	7.50%	7.30%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Expected Average remaining working lives of employees (years)	26.46	26.86
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(h) Sensitivity analysis

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

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

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Increase/(Decrease) in liability		
Discount Rate		
1.00% Increase	-137.95	-129.12
1.00% decrease	168.79	159.00
Salary Growth Rate		
1.00% Increase	165.14	155.97
1.00% decrease	-138.03	-129.19

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Within 1 year	47.36	57.31
2-5 years	252.74	217.20
6-10 years	424.07	344.99
Beyond 10 years	3449.76	3186.79
Total expected payments	4173.93	3806.29

(j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14.00 years (Previous Year: 14.00 years).

(k) The expected contribution to the trust during the next year is Nil (Previous Year Nil)

(B) Other Long-Term Employee Benefit- -Compensated absences

Amount recognized towards Compensated absences in statement of profit and loss in Note 30 "Employee Benefit Expense" under the head "salaries and wages" is ₹48.12 Lakhs (previous year ₹ 79.18 Lakhs)

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current liability	14.23	16.01
Non-current liability	315.00	308.78

NOTE – 42: Company as lessee

(a) Interest expense of ₹ 8.03 Lakhs (Previous year ₹ 14.39 Lakhs) on the Lease Liabilities has been included under the head finance costs in the Statement of Profit and Loss.

(Amount ₹ in Lakhs unless otherwise stated)

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

Particulars	Gross Carrying Value	Amortization	Net Carrying Value
Land and Building			
As at 1st April, 2021	63.58	24.36	39.22
Addition during the year	56.75	0.00	56.75
Amortization during the year	0.00	20.32	-20.32
As at 31st March, 2022	120.33	44.68	75.65
As at 1st April, 2022	120.33	44.68	75.65
Addition during the year	1.18	0.00	1.18
Amortization during the year	0.00	14.02	-14.02
As at 31st March, 2023	121.51	58.70	62.81

(c) The depreciation expense on ROU assets of ₹ 14.02 Lakhs (Previous Year ₹ 20.32 Lakhs) is included under depreciation and amortization expense in the statement of Profit and Loss.

(d) The following is the break-up of current and non-current lease liabilities as at:-

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current lease liabilities	13.82	19.72
Non-current lease liabilities	58.17	63.72
Total	71.99	83.44

(e) The following is the movement in lease liabilities during the year ended:-

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	83.44	32.96
Additions during the year	1.18	56.75
Finance cost accrued during the year	8.03	14.39
Payment of lease liabilities	-20.66	-20.66
Balance at the end of the year	71.99	83.44

(f) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Not later than one year	20.66	20.46
(ii) Later than one year and not later than five years	63.90	69.44
(iii) Later than five years	10.32	23.88
Total	94.88	113.78

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

(Amount ₹ in Lakhs unless otherwise stated)

- (g) The payment in respect of lease liabilities amounting Rs 12.62 Lakhs (Previous year Rs 6.27 Lakh and in respect of interest liabilities amounting Rs 8.03 Lakh (Previous year Rs 14.39 Lakh have been showned under cash flow from financing activity in statement of cash flow.
- (h) Rental expense recognized for short-term leases was ₹ 0.60 Lakhs for the year ended 31st March , 2023 (31st March 22 '0.50 Lakhs) has been disclosed as rent under the head 'Other expenses'.

Company as lessor

The Company has given on lease certain portion of its office / factory premises under operating leases. These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation for the year in respect of such portion of the leased premises are not separately identifiable. These assets have not been classified as Investment property as it does not meet the criteria specified in INDAS 40. Rental income amounting to ₹4.51 Lakhs (Previous year is ₹4.45 Lakhs) in respect of these leases is recognised in the statement of profit and loss under "Other income".

Total of future minimum lease rent receipts on an undiscounted basis are as follows:-

Particulars	As at 31st March, 2023	As at 31st March, 2022
Not Later than one year	4.58	4.51
Later than one year but not later than five years	5.87	7.30
Later than five years	0.18	0.32

NOTE-43: Related Party Transactions:

1 Related Parties and their relationship:

a) Key Management Personnel

i) Whole Time Directors

- * Raj Kumar Avasthi (deceased on 23.07.2022)
- * Munish Avasthi
- * Naresh Kumar Jain

ii) Non Executive Non Independent Director

- * Anjali Avasthi (w.e.f. 03.09.2022)

iii) Independent Directors

- * Sandeep Kapur
- * Prashant Kochar
- * Harpreet Kaur Kang

iv) Chief Financial Officer

- * P. K. Gupta (Retired on 03.10.2022)
- * Sandeep Sachdeva (w.e.f. 21.03.2023)

v) Company Secretary

- * Lovlesh Verma

b) Close Family Members of Key Managerial Personnel

- * Anjali Avasthi
- Parveen Avasthi

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

- * Sobhagia Sales Pvt Ltd.
- * Sobhagia Logistics Pvt Ltd. #
- * Angel Finvest Private Limited #

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

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

e) Post Employment Benefit Plan Trust

- * Sportking India Limited Employee Group Gratuity Trust

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

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

(Amount ₹ in Lakhs unless otherwise stated)

Nature of transaction #	Key Management Personnel ##		Close family member of Key Management Personnel ##		Enterprises over which Key Management Personnel is able to exercise control		Enterprises in which Key Management Personnel are able to exercise significant influence	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Purchase of Goods and services	-	-	-	-	474.32	946.97	4.89	3.86
Remuneration Paid (also refer footnote 1 below)	382.64	514.42	-	-	-	-	-	-
Director Sitting Fee	1.40	1.40	-	-	-	-	-	-
Rent paid	8.52	9.86	7.34	6.00	-	-	4.80	4.80
Sale of Goods and Services	-	-	-	-	1444.67	1805.38	218.75	259.96
Rent Received	-	-	-	-	3.54	3.54	-	-
Amount Receivable/ (Payable) at the end of year								
Sobhagia Sales (P) Ltd.					-197.49	1586.04		
Sobhagia Clothing Co.							-257.83	722.91
Marvel Dyers Pvt. Ltd.							-4.80	-3.78
Director remuneration payable	-63.67	-57.56						
Director sitting fee payable	0.00	0.00						
Rent Payable	-7.31	0.00						

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

Anjali Avasthi has been appointed as director w.e.f 03.09.2022. The transactions with her before 03.09.2022 have been included under 'transactions with close family members of KMP' and transactions after 03.09.2022 have been included under 'transactions with KMP'

Contribution to Sportking India Limited Employee Group Gratuity Trust during the reporting period is ₹ 7.00 Lakhs (Previous year ₹ 13.00Lakhs)

(Amount ₹ in Lakhs unless otherwise stated)

Transactions with Key Managerial Personnel

Particulars	As at 31st March, 2023	As at 31st March, 2022
Short term Employee Benefits	380.57	512.33
Post-Employment Benefits (Refer footnote 1)	2.07	2.09
Rent Paid	8.52	9.86
Director's Sitting Fee	1.40	1.40

Footnotes:-

1. Managerial remuneration does not include provisions made for Gratuity and Compensated absence amounts as these are determined on actuarial basis for the company as a whole. Further remuneration does not include value of non-cash perquisites.

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party. For the year ended 31st March, 2023, the Company has not recorded any impairment in respect of any bad or doubtful debts due from related parties (31st March, 2022: Nil).

NOTE-44
(A) Ageing schedule of Trade receivables from due date of payment
(i) As on 31st March, 2023

Particulars	Outstanding for following period from due date of payments						
	Not Due	Less than 6 Months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables-Considered Good	13718.32	7745.01	961.19	927.87	0.00	0.00	23352.39
(II) Undisputed Trade Receivables-Which have significant increase in Credit risk	0.00	0.00	0.00	0.00	0.00	88.88	88.88
(iii) Undisputed Trade Receivables-Credit Impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables-Considered Good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Trade Receivables-Which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables-Credit Impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (A)	13718.32	7745.01	961.19	927.87	0.00	88.88	23441.27
Allowance for expected credit loss/credit impaired (B)	-6.86	-19.31	-0.89	-0.77	0.00	-44.44	-72.27
Net receivable C= (A-B)	13711.46	7725.70	960.30	927.10	0.00	44.44	23369.00

(Amount ₹ in Lakhs unless otherwise stated)

(ii) As on 31st March, 2022

Particulars	Outstanding for following period from due date of payments						
	Not Due	Less than 6 Months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables-Considered Good	15012.55	25484.62	547.97	0.00	0.00	0.00	41045.14
(II) Undisputed Trade Receivables-Which have significant increase in Credit risk	0.00	0.00	0.00	2.64	36.00	56.74	95.38
(iii) Undisputed Trade Receivables-Credit Impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables-Considered Good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Trade Receivables-Which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables-Credit Impaired	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (A)	15012.55	25484.62	547.97	2.64	36.00	56.74	41140.52
Allowance for expected credit loss/credit impaired (B)				-1.32	-7.20	-19.12	-27.64
Net receivable C= (A-B)	15012.55	25484.62	547.97	1.32	28.80	37.62	41112.88

(B) Ageing schedule of Trade Payables from due date of payment
(i) As on 31st March, 2023

Particulars	Outstanding for following period from due date of payments					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) Micro Enterprises and Small Enterprises	67.51	0.00	0.00	0.00	0.00	67.51
(ii) Medium Enterprises	4.59	0.00	0.00	0.00	0.00	4.59
(iii) Others	1835.74	8404.10	10.49	3.20	3.49	10257.02
(iv) Disputed Dues-MSME	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Dues-Others	0.00	0.00	0.00	0.00	0.00	0.00
Total	1907.84	8404.10	10.49	3.20	3.49	10329.12

(ii) As on 31st March, 2022

Particulars	Outstanding for following period from due date of payments					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) Micro Enterprises and Small Enterprises	29.50	9.04	0.00	0.00	0.00	38.54
(ii) Medium Enterprises	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Others	8168.40	4228.42	4.71	0.95	2.54	12405.02
(iv) Disputed Dues-MSME	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Dues-Others	0.00	0.00	0.00	0.00	0.00	0.00
Total	8197.90	4237.46	4.71	0.95	2.54	12443.56

(Amount ₹ in Lakhs unless otherwise stated)

(C) Detail of amount due from/to directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

1. The trade receivables include Nil is (previous year ₹ 1845.89 Lakhs) due from the firms and private companies in which any director is a partner or a director or a member.
2. The advances to suppliers include Nil (previous year ₹ 463.06 Lakhs) paid to the firms and private companies in which any director is a partner or a director or a member.
3. The trade payables include ₹ 202.29 Lakhs (previous year ₹ 3.78 Lakhs) due to the firms and private companies in which any director is a partner or a director or a member.
4. The advances from customers include ₹ 257.83 (previous year Nil) received from the firms and private companies in which any director is a partner or a director or a member.

NOTE- 45

Disclosure under Ind AS 115 “ Revenue from Contracts with Customers”

(i) Disaggregation of revenue for contract with customers

(a) Sale of Products

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of Yarn	192151.24	194199.94
Sale of Waste	22034.43	14855.88
Sale of Traded Goods/ Raw material	1436.18	939.92
Sale of Services	115.65	111.69
Total (A)	215737.50	210107.43
Other Operating Revenue (B)	4764.80	5293.75
Revenue from operations as per statement of profit and loss (A+B)	220502.30	215401.18

(b) Geographical

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from Customers based in India	115505.42	88105.06
Revenue from Customers based outside India	100232.08	122002.37
Total	215737.50	210107.43

(c) Timing of Revenue Recognition

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from goods transferred to customers at point of time	215737.50	210107.43
Revenue from goods transferred to customers over the period	-	-
Total	215737.50	210107.43

(Amount ₹ in Lakhs unless otherwise stated)

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

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Duty Draw Back Benefits	1749.38	2082.05
Merchandise Export From India Scheme (MEIS) and Remission of Duties & Taxes on Exported Products (RoDTEP)	2758.08	3026.42
Total	4507.46	5108.47

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

(ii) Trade receivables and Contract Balances

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

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 7 and 22 respectively.

The revenue recognised during the year ended 31st March 2023 includes revenue against advances from customers amounting to ₹612.71 Lakhs (Previous Year ₹ 251.51 lakhs) at the beginning of the year.

(iii) Performance obligations and remaining performance obligations

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

The revenue of ₹Nil has been recognised during the year ended 31st March 2023 (previous year ₹Nil) against performance obligations satisfied (or partially satisfied) in previous periods.

(iv) Reconciliation of revenue from contract with customer

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Revenue from contract with customer as per the contract price	215737.50	210107.43
B. Adjustments made to contract price on account of :-		
-Discounts / Rebates/Others	0.00	0.00
Revenue from contract with customer (A-B)	215737.50	210107.43

NOTE -46: Segment Reporting

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

Geographical Information:

The Company is domiciled in India. The company operates in two principal geographical areas: India and outside India.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from Sale of Products/Services		
Within India	115505.42	88105.06
Outside India	100232.08	122002.37
Total Revenue	215737.50	210107.43

(Amount ₹ in Lakhs unless otherwise stated)

The Company's revenue from sale of Products/Services from external customers by location of the customers is as follows:-

Name of Country	Year ended 31st March, 2023	Year ended 31st March, 2022
India	115505.42	88105.06
Bangladesh	64930.63	80354.91
Hong Kong	5134.45	8552.16
Singapore	3350.14	1604.79
Others *	26816.86	31490.51
Total	215737.50	210107.43

*Others includes revenue from countries having less than 5% of total revenue from outside India (including Special economic zone in India).

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

Information about major customers

The transactions with any single external customer do not exceed 10% of the company's total revenue during the year ended 31st March 2023 and 31st March 2022.

NOTE-47: Assets pledged as Security

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Assets		
Financial Assets		
Trade receivables	23369.00	41112.88
Less Bills Discounted	0.00	16278.24
Trade receivables (Excluding Bills Discounted)	23369.00	24834.64
Non-Financial Assets		
Inventories	37197.82	52189.14
Total Current Assets Pledged as Security (A)	60566.82	77023.78
Non Current Assets		
Property Plant and Equipment	75610.53	38082.71
Total Non Current Assets Pledged as Security (B)	75610.53	38082.71
Total Assets Pledged as Security (A+B)	136177.35	115106.49

(Amount ₹ in Lakhs unless otherwise stated)

NOTE- 48: Financial Instruments- Classification and Fair Value Measurement
(a) Financial Instruments by Category

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

Particulars	At Amortized cost	At fair value through profit and loss (Mandatory)	At fair value through OCI (Mandatory)	Total carrying value	Total Fair value
As at 31st March 2023					
Assets:					
Trade receivables (Refer Note 7)	23369.00	-	-	23369.00	23369.00
Cash and Cash Equivalents (Refer Note 8)	1155.56	-	-	1155.56	1155.56
Other bank balances (Refer Note 9)	5606.90	-	-	5606.90	5606.90
Other financial assets (Refer Note 4 & 10)	1866.06	-	-	1866.06	1866.06
Total	31997.52	-	-	31997.52	31997.52
Liabilities:					
Borrowings including current maturities (Refer Note 14)	47346.78	-	-	47346.78	47346.78
Lease liabilities (Refer Note 15 & 19)	71.99	-	-	71.99	71.99
Trade Payables (Refer Note 20)	10329.12	-	-	10329.12	10329.12
Other financial liabilities (Refer Note 21)	4294.62	50.23	-	4344.85	4344.85
Total	62042.51	50.23	-	62092.74	62092.74
As at 31st March 2022					
Assets:					
Trade receivables (Refer Note 7)	41112.88	-	-	41112.88	41112.88
Cash and Cash Equivalents (Refer Note 8)	53.54	-	-	53.54	53.54
Other bank balances (Refer Note 9)	2431.00	-	-	2431.00	2431.00
Other financial assets (Refer Note 4 & 10)	1795.24	4.64	-	1799.88	1799.88
Total	45392.66	4.64	-	45397.30	45397.30
Liabilities:					
Borrowings including current maturities (Refer Note 14)	53677.08	-	-	53677.08	53677.08
Lease liabilities (Refer Note 15 & 19)	83.44	-	-	83.44	83.44
Trade Payables (Refer Note 20)	12443.56	-	-	12443.56	12443.56
Other financial liabilities (Refer Note 21)	6406.01	-	-	6406.01	6406.01
Total	72610.09	-	-	72610.09	72610.09

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

(b) Fair Value Measurement
(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured, subsequent to initial recognition, at fair value. The below is the fair value measurement hierarchy used by the Company to determine the fair value of financial instruments, grouped into Level 1 to Level 3 :-

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

(Amount ₹ in Lakhs unless otherwise stated)

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

Particulars	Fair Value	Level 1	Level 2	Level 3
As at 31st March 2023				
Other financial Assets (current)				
-Derivative financial instruments	0.00	0.00	0.00	0.00
Other financial liabilities (current)				
-Derivative financial instruments	50.23	0.00	50.23	0.00
As at 31st March 2022				
Other financial assets (current)				
-Derivative financial instruments	4.64	0.00	4.64	0.00
Other financial liabilities (current)				
-Derivative financial instruments	0.00	0.00	0.00	0.00

NOTE 49: Capital Management

For the purposes of the Company's capital management, capital includes equity share capital, securities premium and all other reserves attributable to the equity shareholders. The primary objective of the Company's Capital Management is to maximize the return to shareholders and also maintain an optimal capital structure to reduce cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'Net debt' to 'Total Equity'. For this purpose, net debt is defined as total interest-bearing loans and borrowings less cash and cash equivalents. The Company's Net debt to equity ratio is as follows.

Particulars	As at 31st March, 2023	As at 31st March, 2022
<u>Borrowings</u>		
Long Term Borrowings	34266.56	14107.33
Short Term Borrowings	13080.22	39569.75
Lease Liability	71.99	83.44
Total Debt	47418.77	53760.52
Less:		
Cash & Cash Equivalents	1155.56	53.54
Net Debt (A)	46263.21	53706.98
Total Equity (B)	89971.32	76746.60
Gearing Ratio (Net Debt/Total Equity) (A/B)	0.51	0.70

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the reporting period.

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

The company is not subject to any externally imposed capital requirement

(Amount ₹ in Lakhs unless otherwise stated)

(b) Loan Covenants

In order to achieve overall objective of capital management, amongst other things, the management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. The management carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March, 2023 and 31st March, 2022.

NOTE-50: Financial Risk Management

The principal financial assets of the Company include trade and other receivables, loans and advances and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. There are appropriate policies and procedures in place through which such financial risks are identified, measured and managed by the Company. The Audit Committee and the Board are regularly apprised of these risks and measures used to mitigation these risks.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk and investment risk.

a) Foreign Currency Risk

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 46% of the total sales of the company, Further the company also imports certain assets and raw material/ stores etc. from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	Currency	As at 31st March, 2023			As at 31st March, 2022		
		Total Exposure	Hedged Through Forwards	Net Exposure	Total Exposure	Hedged Through Forwards	Net Exposure
a) Exposoure on account of Financial Assets							
Trade Receivables (A)	USD	227.77	5.17	222.60	456.65	6.94	449.71
	Euro	0.67		0.67	-	-	-
b) Exposure on account of Financial Liabilities							
Borrowings, Trade & Other Payables (B)	USD	225.76	192.09	33.67	529.19	254.83	274.36
	Euro	30.01	-	30.01			
	CHF			-	1.85	0.18	1.67
Net Exposure to Foreign Currency- Payables/(Receivable)B-A							
	USD			(188.93)			(175.35)
	Euro			29.34			-
	CHF			-			1.67

(Amount ₹ in Lakhs unless otherwise stated)

Foreign Currency sensitivity

The impact on the Company's profit before tax and total equity due to change in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD, CHF and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
5% Strengthening /weakening of USD against INR	(776.27)	(664.50)
5% Strengthening /weakening of Euro against INR	131.20	-
5% Strengthening /weakening of CHF against INR	-	6.68

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Company has no significant interest -bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments is as below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Variable Rate Instruments		
Borrowings(Non -Current)(inclusive of current maturities)	35615.56	14770.25
Borrowings (Current)	10913.79	21534.25
Total Variable Rate Borrowings	46529.35	36304.50
Fixed Rate Instruments		
Borrowings(Non -Current)(inclusive of current maturities)	117.26	122.03
Borrowings (Current)	0.00	16278.24
Total Fixed Rate Borrowings	117.26	16400.27

Cash flow sensitivity analysis for variable rate instruments

The below would be the impact on Profit before tax and total equity due to 100 basis point change in interest rates

Particulars	As at 31st March, 2023	As at 31st March, 2022
Increase/(decrease) in 100 basis point	465.29	363.04

c) Investment Risk:

Company has not made any investments hence it is not exposed to investment risk.

II. Liquidity Risk

Liquidity risk arises from the Company's inability to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due.

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The Company's treasury department is responsible for liquidity and funding arrangements. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows in near future.

(Amount ₹ in Lakhs unless otherwise stated)

(a) Maturity of financial liabilities

The table below provides details regarding the contractual maturities of financial liabilities

Particulars	Carrying Amount	Less than One Year	More than one year and less than five year	More than five Years	Total
As at 31st March, 2023					
Borrowings	46568.79	13080.22	17302.60	16185.97	46568.79
Lease liabilities	71.99	13.82	48.80	9.37	71.99
Trade payables	10329.12	10329.12	0.00	0.00	10329.12
Other Liabilities	4344.85	4344.85	0.00	0.00	4344.85
Total	61314.75	27768.01	17351.40	16195.34	61314.75
As at 31st March, 2022					
Borrowings	52737.51	39569.75	13038.10	129.66	52737.51
Lease liabilities	83.44	19.72	50.36	13.36	83.44
Trade payables	12443.56	12443.56	0.00	0.00	12443.56
Other Liabilities	6406.01	6406.01	0.00	0.00	6406.01
Total	71670.52	58439.04	13088.46	143.02	71670.52

(b) Financing arrangements

The company has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Expiring within one year (Bank overdraft and other facilities)	19210.57	5924.22

Note: Calculated on the basis of sanctioned working capital limit. There is no restriction on the use of these facilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Fund Based	
WC Limit sanctioned	46,000.00	27,500.00
Drawing Power Sanctioned by Bank	27,500.00	27,500.00
Limit Utilized as on 31st March	8,289.43	21,575.78
Undrawn Balance	19,210.57	5,924.22

III. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and shipments to overseas customers are generally covered by letter's of credit of foreign bank.

The Company's maximum exposure to credit risk as at 31st March, 2023 and 31st March, 2022 is the carrying value of the financial assets.

(Amount ₹ in Lakhs unless otherwise stated)

Expected Credit Loss for Financial Assets
(i) Financial assets to which loss allowance is measured using 12 months Expected Credit Loss:

Particulars	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of ECL
As at 31st March, 2023				
Cash and bank balances and other financial assets (Refer note 4,8,9,10)	8628.52	0.00	0.00	8628.52
As at 31st March, 2022				
Cash and bank balances and other financial assets (Refer note 4,8,9,10)	4284.42	0.00	0.00	4284.42

(ii) Expected credit loss for trade receivable on simplified approach using lifetime Expected Credit Loss:

Particulars	Gross Carrying Amount	Expected Probability of Default	Expected Credit Loss	Carrying amount net of ECL
As at 31st March 2023				
Trade Receivables (refer note 7)	23441.27	Refer table below	72.27	23369.00
As at 31st March 2022				
Trade Receivables (refer note 7)	41140.52	Refer table below	27.64	41112.88

Expected Probability of Default in case of Trade Receivables

Period from Due Date	Expected probability of default
Not Due	0.05%
Less than 30 days	0.10%
31 days- 90 days	0.25%
91 days- 180 days	1.00%
181 days- 365 days	5.00%
1-2 years	10.00%
2-3 years	25.00%
More than 3 years	50.00%

Movement in Allowance for Expected credit loss

Particulars	Amount
As at 1st April, 2021	0.00
Provided/Reversal during the year	27.64
As at 31st March, 2022	27.64
As at 1st April, 2022	27.64
Provided/Reversal during the year	44.63
As at 31st March, 2023	72.27

Revenue from top five customers during the year ended 31st March 2023 and 31st March 2022 is Rs. 50989.92 Lakhs and Rs. 43132.33 Lakhs which represents 23.64% and 20.53% of total sales in the respective year.

(Amount ₹ in Lakhs unless otherwise stated)

NOTE – 51
Details of proceeding initiated under Benami Transactions (Prohibition) Act, 1988

The proceedings have been initiated against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended by The Benami Transactions (Prohibition) Amendment Act,2016 ("the Act") during the year ended 31stMarch 2022. The below are the details in regard to the proceedings:

Particulars	S. No.	Particulars	Year of Acquisition	(₹ in Lakhs)
(i) Details of such property (including year of acquisition) and amount thereof	1	Land measuring 09 Kanal 10 Marla situated at Village Jeeda, Distt. Bathinda	2011-12	30.88
	2	Land measuring 03 Kanal 02 Marla situated at Village Jeeda, Distt. Bathinda	2011-12	13.02
	3	Land measuring 12 Kanal 04 Marla situated at Village Jeeda, Distt. Bathinda	2012-13	65.58
	4	Land measuring 23 Kanal 09 Marla situated at Village Jeeda, Distt. Bathinda	2011-12	98.49
	5	Land measuring 17 Kanal 16 Marla situated at Village Jeeda, Distt. Bathinda	2013-14	23.42
		Total		231.39
(ii) Details of Beneficiaries	M/s. Sportking India Limited			
(iii) If property is in the books, then reference to the item in the Balance Sheet	The above mentioned Land is included in total amount of Land shown under Note No.3 (a) 'Property Plant & Equipment'			
(iv) If property is not in the books, then the fact shall be stated with reasons,	Not applicable			
(v) Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided	Not applicable			
(vi) Nature of proceedings, status of same and company's view on same	Initiating officer under the Act passed the provisional attachment order dated 29.06.2021 u/s 24(3) of the PBPT Act,1988.And then passed an order dt 20.09.2021 u/s 24(4)(a)(i) of the PBPT Act,1988 read with rectification order dated 27.10.2021 provisionally attaching the above mentioned properties (after rectification of provisional attachment order dt 20.09.21 for total properties/land measuring approx 170 Kanal value Rs. 722.01 Lakhs) alleging that the Company had purchased these properties out of the Share Capital and Securities Premium received from Sobhagia Sales Pvt Ltd which in turn had received the same from shell companies.			
	The matter was pending before adjudicating authority under the Act as on 31 st March 2022.			
	The Company had also filed a Civil writ petition with Hon'ble Punjab and Haryana High Court on the grounds that :-			
	a) the Company has already availed Direct Tax Vivad Se Vishwas Scheme,2020 in the present case and no matter covered by order passed under the scheme can be reopened in any other proceeding under the Income-tax Act or under any other law for the time being in force or under any agreement in accordance with section 5(3) of Direct Tax Vivad Se Vishwas Act 2020.			
	b) On 11 th August, 2016 the Benami Transaction Prohibition Amendment Act, 2016 was passed and the same was notified to take effect from 1 st November, 2016.The provisions of the amended act were not applicable to the purchasing of property during FY 2011-12 which was regulated by the provisions of the unamended Benami Transaction Prohibition Act,1988 and even under the said act, no action had been taken against the Company and thus, the same was not subject of any Benami Transaction.			
	The Adjudicating authority has given order in favour of the Company vide its order dated 23.09.2022. However, as advised by the legal counsel of the Company, the case has not been withdrawn from High Court on the ground that the same shall be automatically disposed off at the time of hearing which is yet to be scheduled.			

(Amount ₹ in Lakhs unless otherwise stated)

NOTE – 52

The Company has taken borrowings from banks on the basis of security of inventories and trade receivable (i.e. current assets). There are certain differences in value of inventories and trade receivables as filed with banks vis-à-vis books of accounts. The summary of reconciliation and reasons of material discrepancies in this regard is as under:-

Quarter ending	Name of the Bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for material differences
30 th June, 2022	State Bank of India and consortium of banks	Inventories	38661.65	38662.98	-1.33	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Rs.16880.30 Lakhs)	27441.62	26540.01	901.61	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks and balance of Sobhagia Sales P Ltd. which was due more than 90 days was not shown in statement submitted to the bank.
30 th Sept, 2022	State Bank of India and consortium of banks	Inventories	12629.45	12645.55	-16.10	Differences are not material.
		Trade receivables (excluding Bills discounted amounting of Rs.2898.97 Lakhs)	29246.37	28317.77	928.60	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.
31 st Dec, 2022	State Bank of India and consortium of banks	Inventories	22689.78	22662.24	27.54	Differences are not material.
		Trade receivables (excluding Bills discounted amounting of Rs.145.20 Lakhs)	27466.92	26782.47	684.45	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.
31 st March, 2023	State Bank of India and consortium of banks	Inventories	37197.82	36807.12	390.70	Differences are due to figures reported to the bank on provisional basis.
		Trade receivables (excluding Bills discounted amounting of Nil and Expected Credit Loss)	23441.27	23300.69	140.58	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.

Note: Trade receivables discounted with banks have not been considered in the above figures as the same is not included in the statement submitted to banks.

(Amount ₹ in Lakhs unless otherwise stated)

NOTE – 53: Key Financial Ratios

Particulars	Numerator	Denominator	As at and year ended 31st March, 2023	As at and year ended 31st March, 2022	Variance	Reasons for Variation
Current ratio (in times)	Current assets	Current liabilities	2.63	1.70	54.70%	As current borrowings were reduced substantially, on the other hand Inventories and Trade Receivables were also reduced but decrease in current assets was comparatively lower than decrease in current liabilities. So consequently current ratio improved.
Debt – Equity ratio (in times)	Total Debt	Total Equity	0.53	0.70	-24.28%	Due to reduction in current borrowings as well as increase in Capital base of the company because of profits.
Debt Service Coverage ratio (in times)	Earnings available for debt service ⁽¹⁾	Debt Service ⁽²⁾	2.91	4.35	-33.10%	Decrease is mainly due to reduction in net profits after tax as compared to FY 2021-22.
Return on Equity ratio (ROE) (in %)	Profit for the year	Average Total Equity	15.83%	72.80%	-78.25%	Decrease is mainly due to reduction in net profits after tax as compared to FY 2021-22 as well as increase in capital base of the company.
Inventory turnover ratio (in times)	Cost of Goods sold	Average inventory	3.59	3.06	17.32%	Increase in closing working capital of FY 2021-22 & FY 2022-23 leads to increase of average working capital of FY 2022-23. Though sales of products and service increased by approximately 2.50% during FY 2022-23 but due to increased level of average working capital there is variance in this ratio.
Trade receivables turnover ratio (in times)	Sales of goods and services	Average Trade Receivable	6.69	6.75	-0.89%	
Trade payables turnover ratio (in times)	Credit Purchases	Average Trade Payables	13.83	15.02	-7.92%	
Net capital turnover ratio (in times)	Sales of goods and services	Average Working Capital	4.67	7.27	-35.76%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	5.99%	19.00%	-68.47%	Profit/EBIDTA margins are comparatively less in FY 2022-23 as compared to FY 2021-22 mainly due to increase cost of Raw Material consumed.
Return on capital employed (ROCE) (in %)	Earnings before interest and tax	Average Capital Employed ⁽³⁾	17.85%	52.59%	-66.05%	
Return on investment (in %)	Profit for the year	Average Total Equity	NA	NA	NA	

(1) Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like profit/ loss on sale of property plant and equipment

(2) Interest & Lease payments during the year + Principal repayments of term loans in during the year

(3) Tangible Net Worth + Total Debt + Deferred Tax Liabilities

(Amount ₹ in Lakhs unless otherwise stated)

NOTE -54

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were utilized through out the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

The company has spent a sum of ₹ 448.35 Lakhs (previous year ₹ 76.40 Lakhs) towards approved Corporate Social Responsibility (CSR) activities. The unspent amount as at reporting date is ₹ Nil Lakhs (Previous year ₹ Nil Lakhs.)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Amount required to be spent by the company during the year	455.79	116.06
(b) Amount of expenditure incurred during the year		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	448.35	76.40
(c) Shortfall/(Surplus) at the end of the year	7.44	39.66
(d) Total of previous years shortfall/(Surplus)	-59.21	-98.87
(e) Excess expenditure carried forward to next year	-51.77	-59.21
(f) Reasons of shortfall	NA	NA
(g) Nature of CSR activities	Refer below	Refer below
(h) Detail of related party transactions	Nil	Nil

Nature of CSR activities
(i) During the year ended 31st March, 2023

Construction & Maintenance of Schools, Eye Camp, Distribution of medical related equipments to hospitals, distribution of uniforms to school students/ poor children.

(ii) During the year ended 31st March, 2022

COVID related activities (i.e. Contribution to Disaster Management, Distribution of PPE Kits & Masks etc.)

NOTE-55
Ageing schedule of Capital Work in Progress
(i) As at 31st March, 2023

Amount in CWIP For a period of 31st March 2023					
Particular	<1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) Projects in progress	662.07	0.00	0.00	0.00	662.07
(ii) Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00

(ii) As at 31st March, 2022

Amount in CWIP For a period of 31st March 2022					
Particular	<1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) Projects in progress	7322.88	0.00	0.00	0.00	7322.88
(ii) Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00

Note: There is no such project in capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31st March 2023 and 31st March 2022.

(Amount ₹ in Lakhs unless otherwise stated)

NOTE-56
Capitalisation of Expenditure

The following amount of expenditures have been recognised in the carrying amount of Property, Plant and Equipment /Capital work-in-progress (CWIP) in the course of its construction. Consequently, expenses disclosed under the respective notes to the Statement of Profit and Loss are net of amounts capitalised by the Company.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Expenses incurred during the year (A)		
Rates and taxes	18.95	4.27
Borrowing Costs (Included LC Interest)	352.25	0.17
Bank Charges	34.20	15.31
Total	405.40	19.75
Amount of expenses included in Capital work-in-progress at the beginning of the year (B)	19.75	0.00
Amount of expenses Capitalized during the year (C)	425.15	0.00
Amount of expenses included in Capital work-in-progress at the end of the year (A+B-C)	0.00	19.75

NOTE – 57

Other disclosures required as per Schedule III to the Companies Act, 2013

- (i) The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- (ii) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The company does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency, during the financial year ended 31st March, 2023.
- (v) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
 - (a) Repayable on demand; or
 - (b) Without specifying any terms or period of repayment
- (vi) No funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) No funds have been received by the company from any person(s) or entity(ies), including foreign entities (“funding party”) with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party (“Ultimate beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTE – 58

The Board of Directors in its meeting held on January 28, 2023, has approved the proposal to buy-back upto 580000 fully paid up equity shares of the face value of ₹ 10/- at a price of ₹ 950/- per share payable in cash (“Buyback Price”) for a maximum amount not exceeding ₹ 5510 lakhs. This amount represents 7.18% of the paid-up equity share capital and free reserves as per audited financial statements of the Company for the financial year ended 31st March, 2022. The buy-back process was completed subsequent to the year end on 17th April, 2023 and 580000 shares have been extinguished.

As per our report of even date attached

For **SCV & Co. LLP**

Chartered Accountants

Firm Regn. No. 000235N/N500089

(**Sanjiv Mohan**)

Partner

M.No.086066

Place: Ludhiana

Date : April 29, 2023

For and on behalf of the Board of Directors

Munish Avasthi

Chairman-cum-Managing Director

DIN No.00442425

Naresh Jain

Executive Director

DIN No.00254045

Sandeep Sachdeva

Chief Financial Officer

Lovlesh Verma

Company Secretary

Membership No. A34171

SPORTKING INDIA LIMITED
CIN: L17122PB1989PLC053162
Registered Office: Village kanech, Near Sahnewal, G.T Road, Ludhiana-141120
E-mail: cs@sporking.co.in, Website: www.sporking.co.in
ATTENDANCE SLIP

Folio No..... DP ID Client ID.....

Number of shares held:.....

Member's/Proxy's Name in Block Letter _____

I/We certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the 34th Annual General Meeting of the company held on 16th September 2023 at 10.30 A.M. at its Registered Office at Village Kanech, Near Sahnewal, G.T Road, Ludhiana-141120.

Name of the Shareholder/Proxy
(In Block Letter)

Signature of the Shareholder/Proxy

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

2) Please read instructions given in the Notice of 34th Annual General Meeting, carefully before voting electronically.

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Form No. MGT-11
SPORTKING INDIA LIMITED
CIN :L17122PB1989PLC053162
Registered Office: Village kanech, Near Sahnewal, G.T Road, Ludhiana-141120
E-mail: cs@sporking.co.in, Website: www.sporking.co.in

PROXY FORM

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

Name of the member (s) : _____

Registered address: _____

Folio No./DP & Client Id: _____

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

1. Name & Address _____ Signature _____ or failing him/her
2. Name & Address _____ Signature _____ or failing him/her
3. Name & Address _____ Signature _____ or failing him/her as

my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the company held on Saturday, 16th September 2023 at 10.30 AM at its Registered Office at Village Kanech, Near Sahnewal, G.T Road, Ludhiana-141120 and at any adjournment thereof in respect of the following resolutions as are indicated below:-

Resolution No	Description	For	Against
ORDINARY BUSINESS			
1.	To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mr. Naresh Kumar Jain (DIN: 00254045) who retires by rotation and being eligible, offers himself for re- appointment.		
SPECIAL BUSINESS			
3.	Ratification of Remuneration payable to Cost Auditors for the Financial Year 2023-24		
4.	Re-appointment of Dr. Sandeep Kapur (DIN: 07016726) as an Independent Director of the Company for a second term of consecutive five years		

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

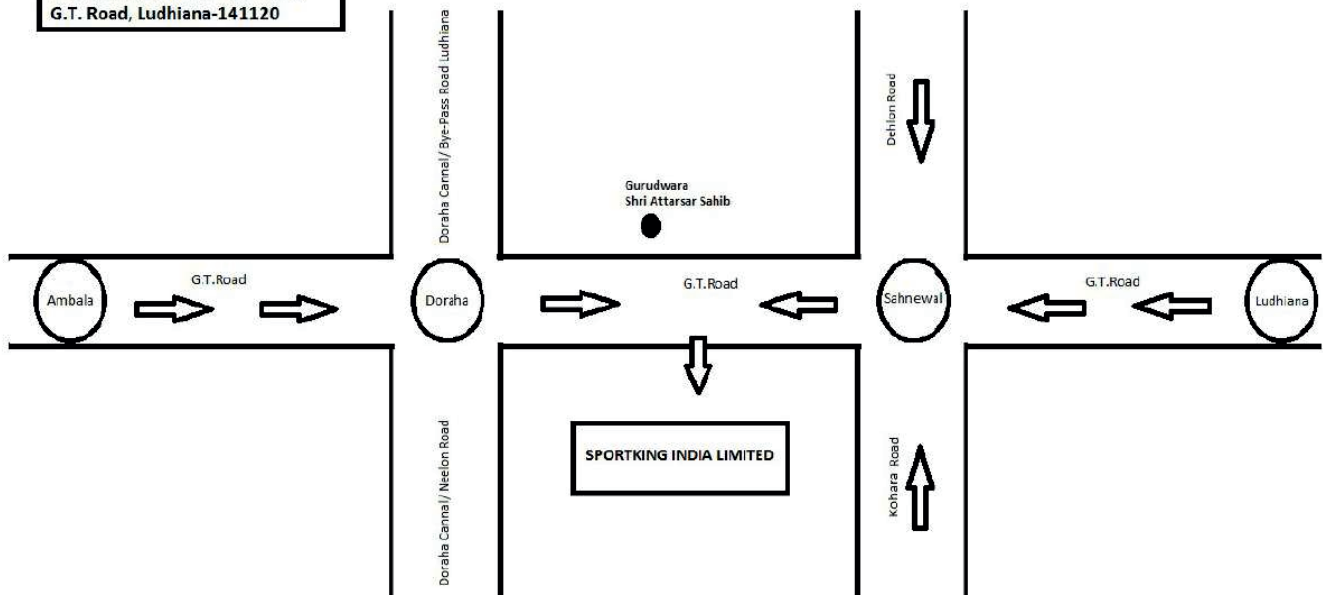
Signed this _____ day of _____ 2023

Signature of the proxy holder

Signature of shareholder

Affix
 Revenue
 Stamp of
 Rs. 1/-

Venue of Annual General Meeting
Sportking India Limited
Village Kanech, Near Sahnewal,
G.T. Road, Ludhiana-141120





Save Tree Save Earth

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Your company has joined the MCA in its environmental friendly initiative. The company would send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders.

To support this green initiative of the Government in full measure, shareholders are requested to register / update their latest e-mail addresses with the Depository Participants (D.P.) with whom they are having Demat Account or send the same to the Company via e-mail at: cs@sportking.co.in.

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



Sportking
SPORTKING INDIA LIMITED

If undelivered please return to:
SPORTKING INDIA LIMITED
Village Kanech, Near Sahnewal
G.T. Road, Ludhiana - 141120

