

# Sportking INDIA LTD.

(Govt. Recognised Four 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/2024-25/SE

23.07.2024

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

**Sub: Annual Report (Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company including the Business Responsibility and Sustainability Report and the Notice of 35<sup>th</sup> AGM for the Financial Year 2023-24. Further, the 35<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on **Saturday, the 17<sup>th</sup> Day of August, 2024 at 10.30 AM** at Registered Office of the company.

The Annual Report and the Notice of 35<sup>th</sup> Annual General Meeting is also uploaded on the Company's website i.e. [www.sportking.co.in](http://www.sportking.co.in).

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

**For SPORTKING INDIA LIMITED**

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



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# Annual Report

2023-2024



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**Sportking**  
SPORTKING INDIA LIMITED

## **BOARD OF DIRECTORS**

**Mr. Munish Avasthi**  
**Mr. Naresh Kumar Jain**  
**Mrs. Anjali Avasthi**  
**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

### **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**

GT Road, Miller Ganj,  
Ludhiana - 141003

#### **Yes Bank Limited**

B-XX/2427-928, Gobind Nagar,  
Ludhiana-141001

### **STATUTORY AUDITORS**

SCV & Co. LLP  
Chartered Accountants, Ludhiana

### **SECRETARIAL AUDITOR**

Sunny Kakkar & Associates  
Company Secretaries, Ludhiana

### **COST AUDITOR**

R.R & Co.  
Cost Accountants, Ludhiana

### **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

# You will forever be a Source of Inspiration



**LATE SH. RAJ KUMAR AVASTHI JI**  
**Founder / Chairman of Sportking India Limited**  
**18th June 1946- 23 July 2022**

In the month of July 2022, Sh. Raj Kumar Avasthi, founding/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 missed.



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## DETAIL OF 35TH ANNUAL GENERAL MEETING

**Date and Time of AGM:** Saturday, 17th August 2024 at 10.30AM

### Details of Remote E-Voting

Record date / cut-off date: Saturday, 10th August 2024

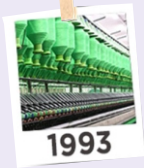
Start date and time: Wednesday, 14th August 2024 at 09.00AM

End date and time: Friday, 16th August 2024 at 05:00 PM

# Sportking

## JOURNEY SO FAR

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



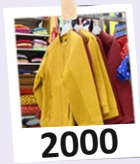
1993

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



1995

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



2000

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

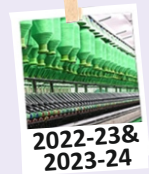


2010-14

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.



2018 -19



2022-23 & 2023-24

Successful commissioning of 10 MW Rooftop Solar Power Project for in house consumption. Capex undertaken for additional 15MW Solar Power project completed in 2023-24. Fully operationalization of additional 103K+ Spindles for manufacturing of Polyester Cotton yarn and cotton yarn (compact).

### Rooftop Solar Power Projects at Ludhiana and bathinda Unit



Completion of 25MW Rooftop Solar Power Project at for in house consumption with an objective to reduce greenhouse gas emissions and power cost

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



Fully operationalized of expansion project

# PRODUCT RANGE



## 100% Cotton Yarns

100% cotton combed compact yarns in normal and sublime quality for knitting and weaving

100% cotton combed compact slub

100% cotton combed Eli twist



## Polyester/Cotton Blended Yarns

Polyester/cotton combed yarns

Polyester/ cotton Melange yarns



## Fancy Yarns

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



## Dyed Yarns

100 % cotton and PC blended dyed yarns



## Acrylic & Acrylic/Polyester Blended Yarns

100% Acrylic high bulk yarns

100% Acrylic Non bulk yarns

Acrylic/ polyester blended high bulk yarns





## DELIVERED CONSISTENT FINANCIAL PERFORMANCE (FY24)

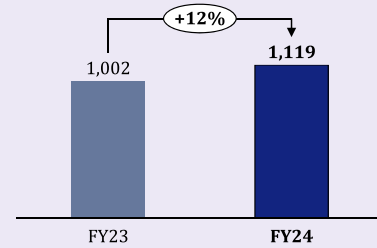
Full Year Highlights  
FY24

Revenue from Operations\*  
**Rs. 2377 crores** ▲ 7.8%

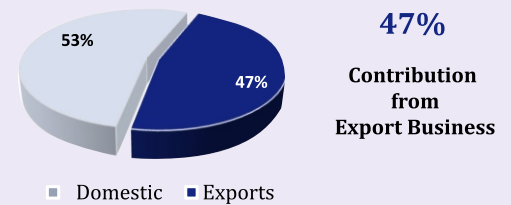
GROSS PROFIT	EBITDA
<b>Rs.517 crores</b>	<b>Rs.205 crores</b>
<i>Margin at 22%</i>	<i>Margin at 9%</i>

EBIT	Profit After Tax
<b>Rs.119 crores</b>	<b>Rs. 70 crores</b>
<i>Margin at 5%</i>	<i>Margin at 3%</i>

Revenue from Export Businesses  
(Rs. in crores)

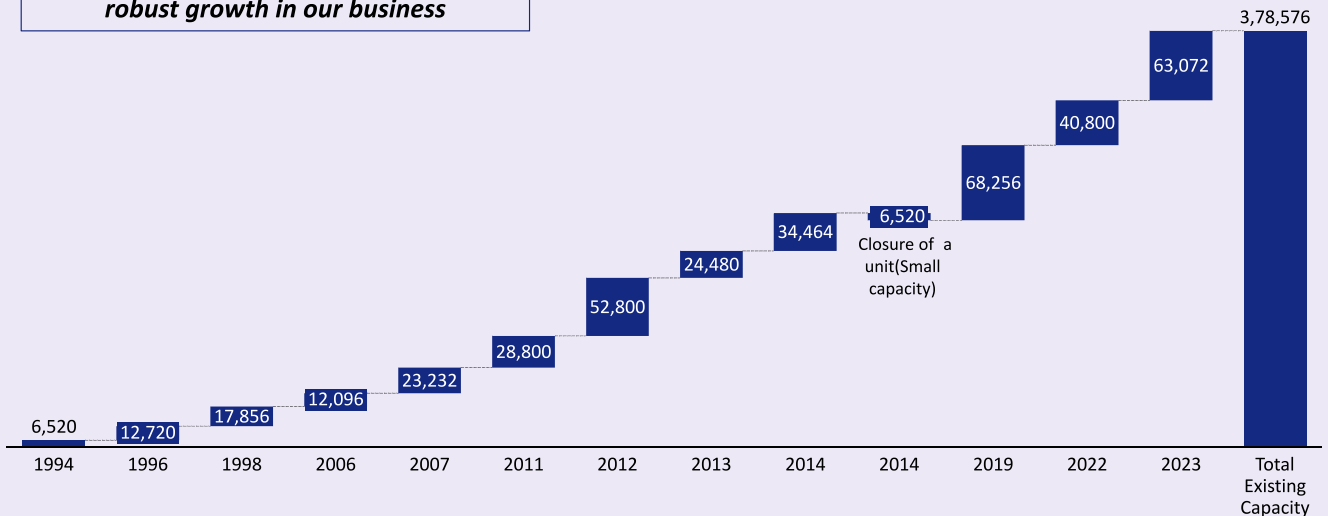


FY24 Revenue Contribution



## CAPACITY BUILTUP OVER THE YEARS

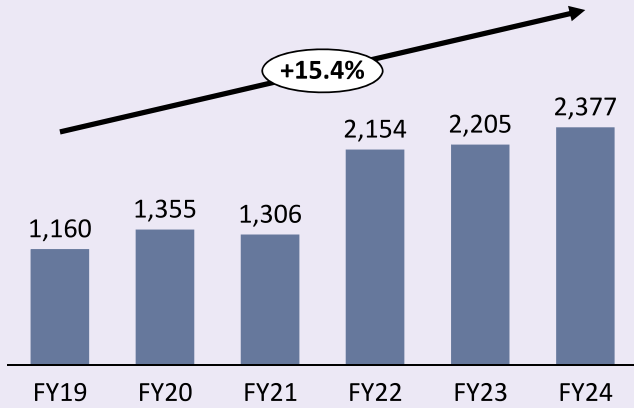
*Continuous capacity addition to support robust growth in our business*



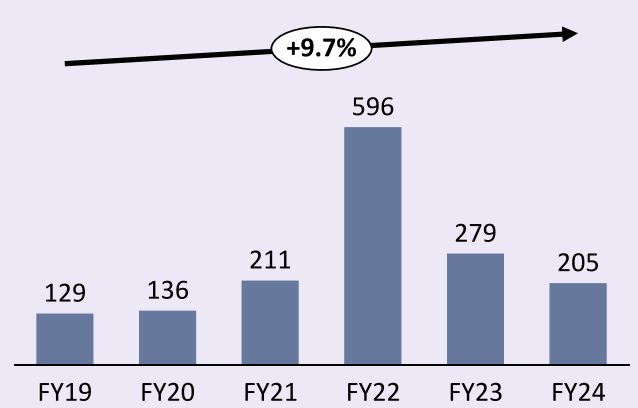


# HISTORICAL FINANCIAL CHARTS

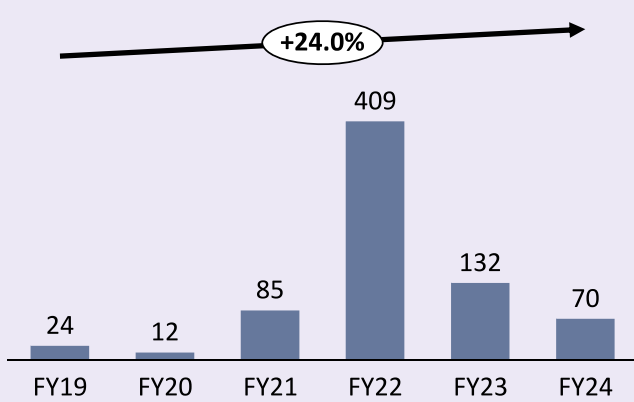
Revenue from Operations (Rs. in Crs)



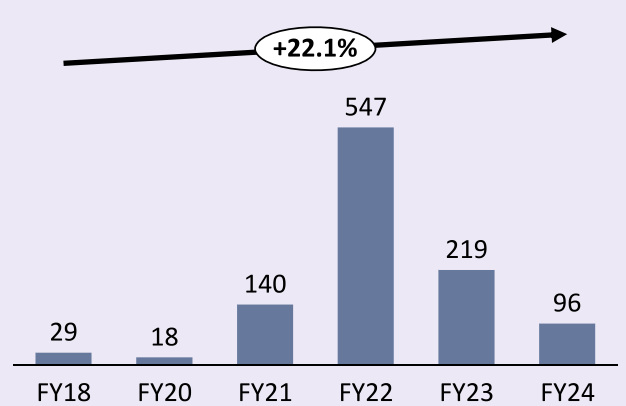
EBITDA (Rs. in Crs)



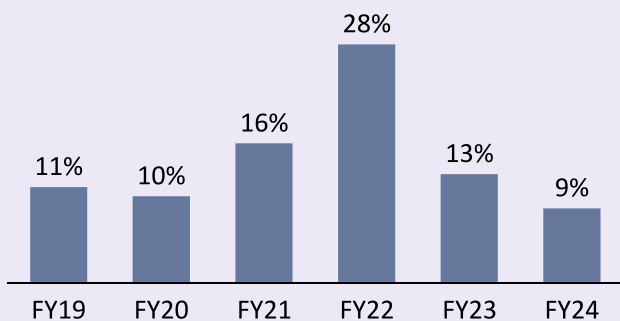
PAT (Rs. in Crs)



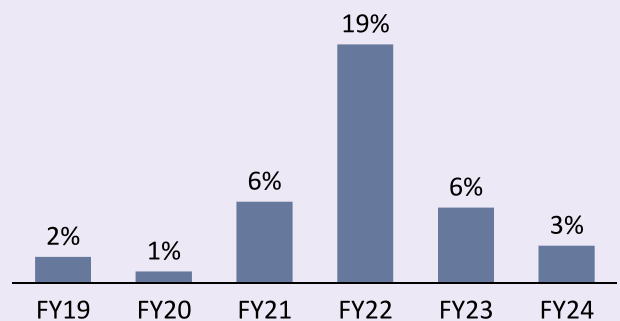
PBT (Rs. in Crs)



EBITDA %

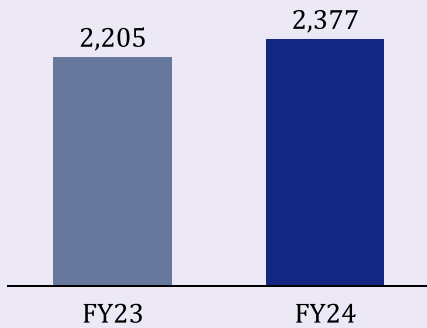


PAT %

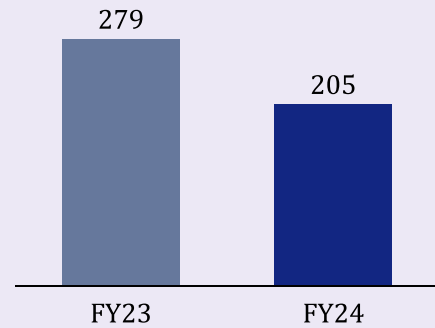


## FY 24 PERFORMANCE (Y-o-Y)

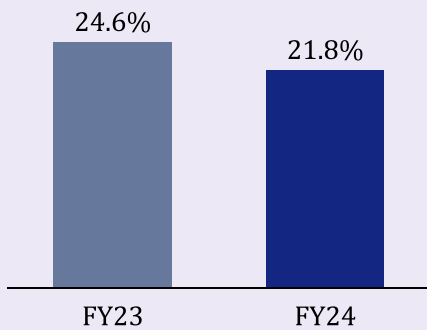
### Revenue from Operations (Rs. in Crs)



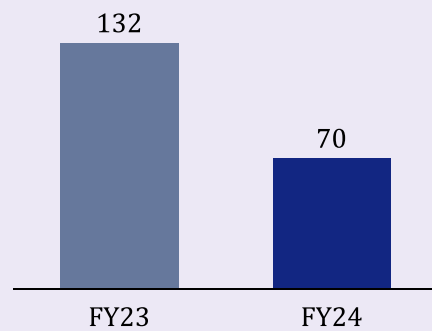
### EBIDTA (Rs. in Crs)



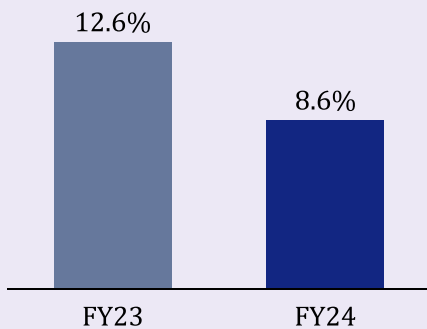
### Gross Profit %



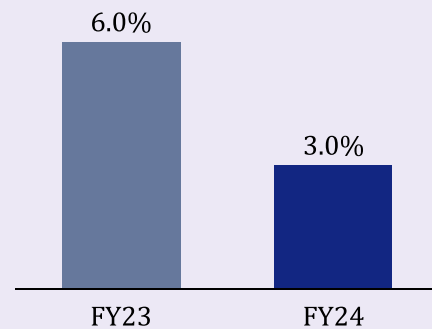
### PAT (Rs. in Crs)



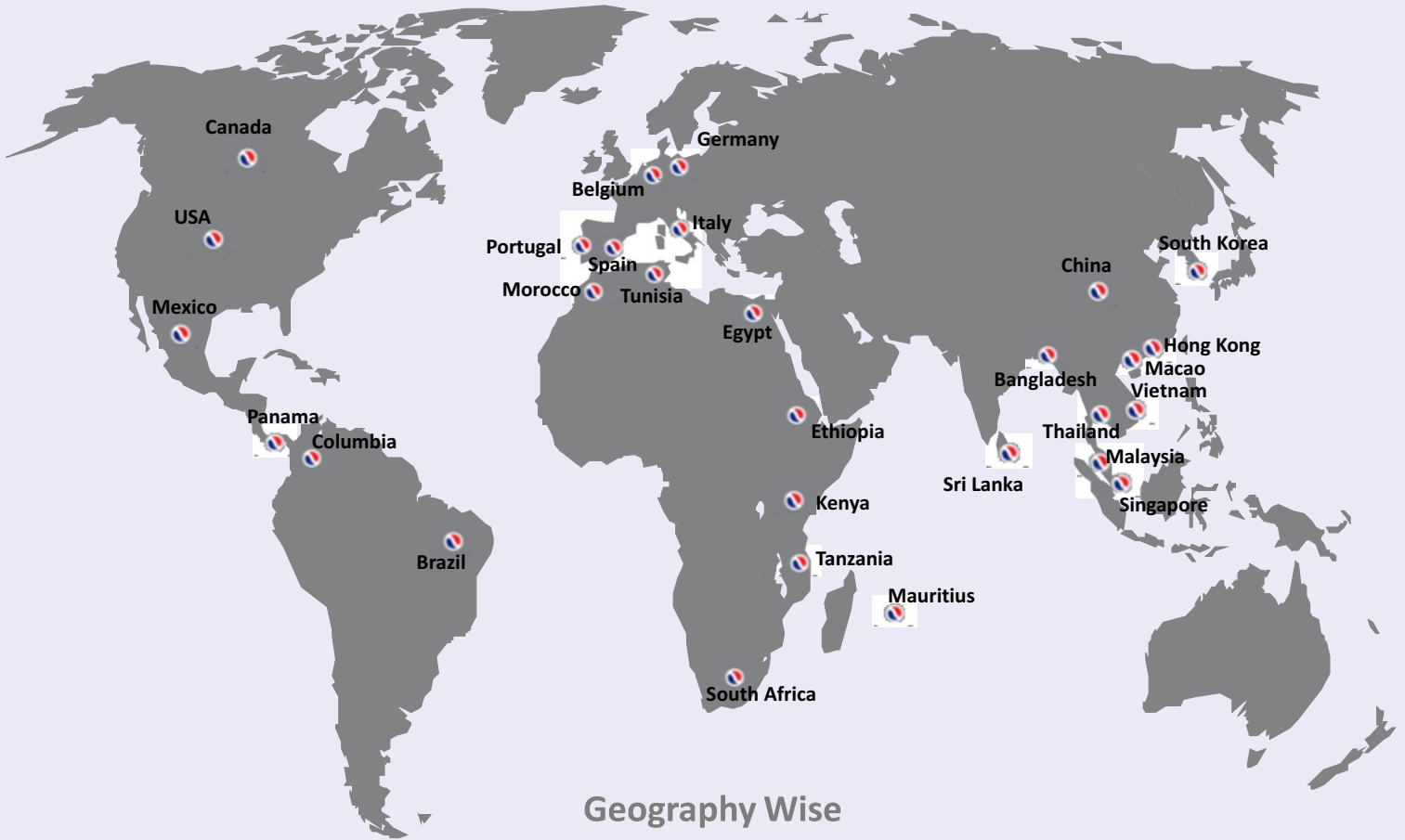
### EBITDA %



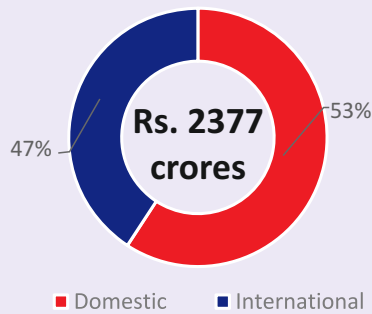
### PAT %



# PRESENCE ACROSS THE GLOBE



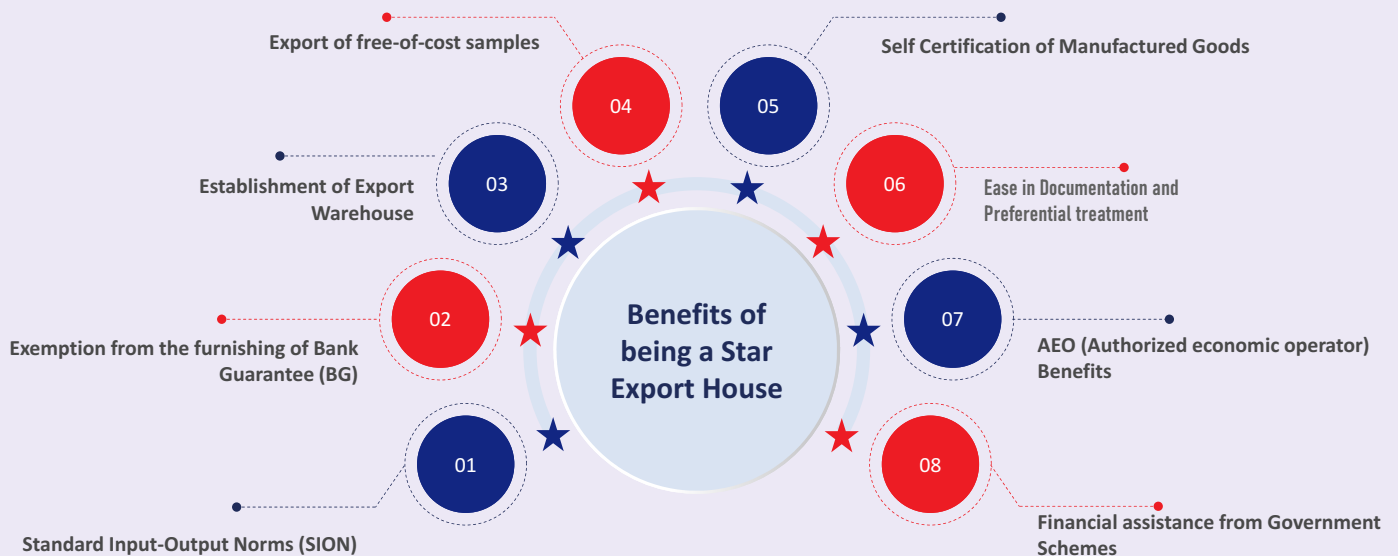
## Geography Wise Revenue Break-up FY24



We are representing India on a world stage with average exports worth more than US \$ 125-175 million.

# RECOGNITION AS A FOUR STAR EXPORT HOUSE

Based on its export performance, Company's recognition has been upgraded to '**Four Star Export House**' from 'Three Star Export House' by the Ministry of Commerce and Industry, Government of India in accordance with the provisions of the Foreign Trade Policy, 2023.



# CERTIFICATES & COMPLIANCES







**NOTICE**

**NOTICE** is hereby given that the **35<sup>th</sup> Annual General Meeting** of the members of Sportking India Limited will be held on **Saturday, the 17<sup>th</sup> day of August, 2024 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, 2024 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024 along with Annexures and the Reports of the Board of Directors and Auditors thereon as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted.”

2. To declare dividend on Equity Shares of the Company for the Financial Year ended 31st March, 2024 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** a Dividend at the rate of Rs. 5/- (Rupees Five only) per share on Equity Shares of Rs. 10/- each as recommended by the Board of Directors be and is hereby declared for the financial year ended 31st March, 2024 and the same be paid out of the profits of the Company.”

3. To appoint a Director in place of Mrs. Anjali Avasthi (DIN: 06911970) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mrs. Anjali Avasthi (DIN: 06911970), a Director of the Company who retires by rotation in the terms of Section 152(6) of the Companies Act, 2013 and being eligible for re-appointment as Director of the Company be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

**SPECIAL BUSINESS**

4. **Ratification of Remuneration payable to Cost Auditors for the Financial Year 2024-25:**

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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of Remuneration of Rs. 1.50/- lakh (Rupees One lakh and Fifty thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses) to M/s R.R & Co., Cost Accountants (Firm Registration No. 000323), appointed by the Board of Directors on the recommendation of the Audit Committee to conduct the Audit of the cost records of the Company for the Financial Year ended March 31, 2025, be and is hereby approved and ratified.”

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

5. **Approval for Sub-division/ split of existing 1 (One) Equity Share of face value of Rs. 10/- (Rupees Ten Only) each fully paid up into 10 (Ten) Equity Shares of face value of Rs. 1/- (Rupees One only) each fully paid up**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 61(1)(d), 64 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) [including any statutory modification(s), notifications, circulars issued thereunder or re-enactment(s) thereof, for the time being in force], in accordance with the Articles of Association of the Company and subject to such permissions, consents and approvals as may be required from concerned

statutory authorities, approval of the members of the Company be and is hereby accorded for sub-division/ split of equity shares of the Company, such that 1 (one) equity share having face value of Rs. 10/- (Rupees ten only) each, fully paid-up, be sub-divided into 10 (ten) equity shares having face value of Rs. 1/- (Rupee one only) each, fully paid- up, ranking pari-passu in all respects with effect from such date as may be fixed for this purpose (“Record Date”) by the Board (hereinafter the term ‘Board’, shall be deemed to encompass any committee formed by the Board, including those constituted by the Board subsequently, and any individual authorised by the Board of the Company.

**RESOLVED FURTHER THAT** pursuant to the Sub-division of Equity Shares of the Company, all the Authorized, Issued, Subscribed and Paid-up Equity Shares of nominal value of Rs. 10/- (Rupees Ten Only) each existing on the Record date to be fixed by the Board of Directors of the Company (which shall include any Committee thereof), shall stand sub-divided into 10 (ten) Equity Shares of nominal value of Rs. 1/- (Rupee one Only) each fully paid up, as given below:

Type of Capital	Pre-Split Equity Capital Structure			Post-Split Equity Capital Structure		
	No of Equity Shares	Face Value (in Rs.)	Total Equity Share Capital (Rs.)	No of Equity Shares	Face Value (in Rs.)	Total Equity Share Capital (Rs.)
Authorised Equity Share Capital	1,50,00,000	10/-	15,00,00,000	15,00,00,000	1/-	15,00,00,000
Issued, Paid- up and Subscribed Equity capital	1,27,07,200	10/-	12,70,72,000	12,70,72,000	1/-	12,70,72,000

**RESOLVED FURTHER THAT** on sub-division, 10 (ten) Equity Shares of face value of Rs. 1/- each be allotted in lieu of the existing 1 (One) Equity Share of face value of Rs. 10/- each subject to the terms of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid Equity Share.

**RESOLVED FURTHER THAT** upon sub-division of equity shares, as aforesaid and with effect from the Record Date, the existing shares certificate(s) in relation to the existing equity shares of the face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect and the Board without requiring surrender of the existing share certificate(s), shall issue new share certificate(s) of the Company, and shall comply with the prevailing laws/ guidelines in this regard and for the equity shares held in dematerialized form, the sub-divided equity shares shall be credited proportionately into the respective beneficiary demat account(s) of the members held with their depository participant(s), in lieu of the existing credits present in their respective beneficiary demat account(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, Board of Directors or any Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things including to fix and announce the Record Date, to make appropriate adjustments on account of sub-division/ split of equity shares, to accept and make any alteration(s), modification(s) to terms and to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to apply for requisite approvals, to settle any questions, doubts or difficulties that may arise with regard to the sub-division/ split of the equity shares as aforesaid and to carry out/ execute all matters in connection therewith and incidental thereto in order to give full effect to this resolution including execution and filing of all the relevant documents with the Registrar of Companies, Stock Exchanges, Depositories and other appropriate authorities in due compliance of the applicable rules and regulations, without seeking any further approval/ consent of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected therewith or incidental thereto expressly by the authority of this resolution.

## 6. Alteration of Capital Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules framed thereunder (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and on recommendation of the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which expression shall include any Committee constituted/to be constituted by the Board thereof or any other person(s) as may be authorized by the Board in that behalf) and subject to such other applicable approval(s) and/ or sanction(s) of the statutory or regulatory authorities, as may be required in this regard, consent of the members of the Company be and is hereby accorded to delete the existing Clause V of the Memorandum of Association of the Company in entirety and substitute the same with the following new Clause V, as under:

- V. **The Authorized Capital of the Company is Rs. 35,00,00,000 /- (Rupees Thirty Five Crore only) divided into 15,00,00,000 (Fifteen Crore Only) Equity Shares of Rs. 1/- each and 2,00,00,000 (Two Crores only) Redeemable Preference Shares of Rs. 10/- each.**

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deed and things including delegating powers to any person(s), as they may in their absolute discretion deem necessary or expedient in respect of matters and things incidental or related thereto and to settle any question or doubt, to give effect to the aforesaid resolution.”

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

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

**Place: Ludhiana**

**Date: 20.07.2024**

**Regd. Office:**

**Village Kanech, Near Sahnewal, GT Road,  
Ludhiana-141120 (Punjab)**

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to Special Businesses as set out above is annexed hereto. Further, disclosures as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') with respect to details of Directors who are proposed to be appointed / re-appointed is set out in the Explanatory Statement.
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 Sahnewal, 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 Members and Share Transfer Register will remain closed from 11<sup>th</sup> August 2024 to 17<sup>th</sup> August 2024 (both day inclusive) for the purpose of Annual General Meeting of the Company and payment of Dividend.
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 shares in physical form, in identical order of names, in more than one folio are requested to are requested to write to the Company's Registrar & Share Transfer Agent, 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-110062 , the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
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](mailto:cs@sportking.co.in).
10. 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.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be. The said forms can be downloaded from the Company's website at [www.sportking.co.in](http://www.sportking.co.in) or RTA website [www.beetalfinancial.com](http://www.beetalfinancial.com) and requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no(s).
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. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at [www.sportking.co.in](http://www.sportking.co.in). Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.
14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's/RTA's website. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
15. SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024. In case of non-Update of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, the dividend shall be paid only through electronic mode with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety. Further, relevant FAQs published by SEBI on its website can be viewed at [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)
16. The dividend as recommended by the Board, if declared at the meeting will be paid to the shareholders within the stipulated time whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of Shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on 10<sup>th</sup> August 2024 and Whose names appear as Beneficial Owners in the list of Beneficial Owners on 10<sup>th</sup> August 2024 to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

17. Dividend income is taxable in the hands of shareholders under current tax law and the company is required to deduct tax at source (TDS) from same at the prescribed rates. The company would be sending an email to shareholders advising TDS rates in force for different categories based on documents furnished by shareholders. Shareholders are requested to refer to the Income Tax Act, 1961 and Rules thereunder for full details.
- There will be no TDS from dividend payable to a resident individual shareholder, if the total dividend to be received during FY 2023-24 from the company does not exceed Rs. 5000/-.
  - A resident individual shareholder with PAN who is not liable for income tax can submit declaration in Form 15G/ 15H as applicable to avail the benefit of non-deduction of tax. In case their PAN is not registered and not linked with Aadhar, TDS would be at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under applicable Tax Treaty subject to furnishing Form-10F and providing necessary documents.
18. In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Income Tax PAN (including that of joint holders, if any), and also Category as per the IT Act. Additionally, Members are also advised to update their bank account details, any change in address and/ or name, submit National Electronic Clearing Service (NECS) or Electronic Clearing Service (ECS) mandates, nominations, e-mail address, contact numbers, etc., if not so done, by writing to the Company's Registrar & Share Transfer Agents, 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-110062 (Phone No. 011-29961281-283, & Email:beetalrta@gmail.com** for providing efficient and better services. Members holding securities in dematerialized form are requested to intimate such changes to their respective depository participants.
19. 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](mailto:cs@sportking.co.in) . We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.
20. 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.
21. SEBI vide its Master Circular SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated 11th August 2023, has introduced Online Dispute Resolution (ODR), which is in addition to the existing SCORES platform which can be utilized by the investors and the Company for dispute resolution. Please note that the investors can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the Company and on the SCORES platform.
22. The route map of the venue of the Annual General Meeting is annexed with the Annual Report.
23. Members may note that the Notice and the Annual Report 2023-24 will also be available on the Company's website [www.sportking.co.in](http://www.sportking.co.in) , websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
24. 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.
25. 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.
26. The Results declared as specified in the regulation 44 of SEBI (LODR) Regulation, 2015 along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company [www.sportking.co.in](http://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 Wednesday 14<sup>th</sup> August , 2024 at 09.00 A.M. (IST) and ends on Friday 16<sup>th</sup> August, 2024 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) i.e. Saturday, 10<sup>th</sup> August 2024 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
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</li> <li>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 &amp; 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>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 <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<p>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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.</p>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- f) 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](http://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](http://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:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
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"> <li>• 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.</li> </ul>
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"> <li>• 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).</li> </ul>

- h) After entering these details appropriately, click on “SUBMIT” tab.
- i) 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.
- j) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN <240720011> for Sportking India Limited on which you choose to vote.**
  - l) 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.
  - m) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - n) 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.
  - o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - p) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - q) 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.
  - r) 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](http://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](mailto: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.
- s) 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.
- t) 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: 20.07.2024**

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

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

#### **ANNEXURE 1 TO THE NOTICE**

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

##### **Item No. 4**

The Company is required to undertake the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014, to be conducted by a Cost Accountant in practice, in terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

In compliance with the above, the Audit Committee of the Company at its meeting held on 27<sup>th</sup> April 2024, considered the appointment of M/s. R.R. & Co, Cost Accountants, Ludhiana (FRN No: 000323) as the Cost Auditors of the Company for FY 2024-25. At the said meeting, the Audit Committee also considered the remuneration of Rs. 1.50 lakh (Rupees One lakh and Fifty thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to the Cost Auditors of the Company for FY 2024-25.

On the recommendation of the Audit Committee, the Board has approved the appointment of M/s. R.R. & Co, Cost Accountants, Ludhiana (FRN No: 000323) as the Cost Auditors of the Company for FY 2024-25 at a remuneration of Rs. 1.50 lakh (Rupees One lakh and Fifty thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to Cost Auditors for FY 2024-25.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors must be ratified by the Members of the Company.

The consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2025.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested, in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the Resolution set forth in Item No. 4 for approval of the Members.

**Item No. 5 & 6**

Subject to the approval of members of the Company and statutory authority(ies) if any, the Board of Directors at its Meeting held on 20th July 2024 approved, the sub-division/ split of equity shares of the Company, such that such that 1 (one) equity share having face value of Rs. 10/- (Rupees ten only) each, fully paid-up, be sub-divided into 10 (ten) equity shares having face value of Rs. 1/- (Rupee one only) each, fully paid- up ranking pari-passu in all respects with effect from such date as may be fixed for this purpose by the Board ("Record Date").

In the opinion of the Board of Directors, the proposed sub-division/ split will make the equity shares of the Company more affordable and is expected to encourage participation of investors at large and therefore it is in the best interest of the investors and the Company. The Board of Directors, therefore, recommends an Ordinary Resolution as set out in the accompanying Notice for the approval of the members of the Company in accordance with the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The sub-division/ split of equity shares of the Company as aforesaid will require alteration to the existing Capital Clause i.e., Clause V of the Memorandum of Association of the Company. There will not be any change in the amount of authorised, subscribed, issued and paid-up share capital of the Company on account of sub-division/ split of the equity shares. Further, such sub-division/ split shall not be construed as reduction in share capital of the Company, in accordance with the applicable provisions of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested, in the Resolution mentioned at Item No. 5 & 6 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 & 6 for approval of the Members.

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

**Place: Ludhiana  
Date: 20.07.2024**

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

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



**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)**

<b>Name of the Director</b>	<b>Mrs. Anjali Avasthi</b>
<b>DIN</b>	06911970
<b>Age</b>	49 Years
<b>Date of Appointment</b>	03.09.2022
<b>Number of Meetings attended during the FY 2023-24</b>	4
<b>Qualification</b>	Graduate
<b>Nature of his expertise in specific functional areas</b>	Vast Experience in Managing Garments Business
<b>Names of the other listed entities in which the person also holds the Directorship</b>	NA
<b>The membership of the committees of the board of other Listed Entities</b>	NA
<b>Listed entity from which the Director resigned in last 3 years</b>	NA
<b>Disclosure of Relationship between Directors</b>	Wife of Mr. Munish Avasthi (Chairman & Managing Director)
<b>Equity Shareholding in the Company as on 31.03.2024</b>	8077

## DIRECTORS' REPORT

### Dear Members

The Directors of your Company are pleased to present their 35<sup>th</sup> Annual Report on the affairs of the Company together with Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2024.

### 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, 2024 had been prepared in accordance with Indian Accounting Standards (Ind AS). The financial performance of your Company for Financial Year(s) 2023-24 and 2022-23 are as under:

(Rupees in Lakhs)

Particulars	F.Y. 2023-24	F.Y. 2022-23
Revenue from Operations (Net)	237714.19	220502.30
Other Income	3570.55	1152.42
Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) and Exceptional Items	24086.26	29035.00
Interest and Financial Expenses	5907.29	2304.89
Profit before Depreciation, Amortization, Tax (PBDT) and Exceptional Items	18178.97	26730.11
Depreciation and Amortization	8588.54	4815.00
Profit before Tax (PBT) and Exceptional Items	9590.43	21915.11
Exceptional Items	0.00	2965.31
Profit before Tax (PBT)	9590.43	18949.80
Provision for Tax		
-Current Tax	2158.61	4887.18
-Prior Period Tax	(50.45)	7.64
-Deferred Tax	447.71	856.78
Profit after Tax (PAT)	7034.56	13198.20
Other Comprehensive Income (Net of Tax of Rs. 4.29 Lakhs in Current Year and Rs. 24.22 Lakhs in previous year)	12.74	72.00
Total Comprehensive Income for the year	7047.30	13270.20
Earnings Per Equity Share (In Rs.)		
-Basic	54.97	99.33
-Diluted	54.97	99.33

### 3. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

#### BUSINESS REVIEW

##### Economic Outlook

The world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2

percent in both 2024 and 2025. The forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The overall risks around the outlook are becoming better balanced, but substantial uncertainty remains. High geopolitical tensions remain a significant near-term adverse risk, particularly if the evolving conflicts in the Middle East were to intensify and disrupt energy and financial markets, pushing up inflation and reducing growth. Further reductions in inflation may also be slower than expected if cost pressures and margins remain elevated, particularly in services. This could result in slower-than-expected reductions in policy interest rates, exposing financial vulnerabilities and potentially generating a sharper slowdown in labour markets.

Another key downside risk is that the future impact of higher real interest rates proves stronger than anticipated. Debt-service burdens are already high and could rise further as low-yielding debt is rolled over, or as fixed-term borrowing rates are renegotiated. Some sectors, particularly commercial real estate, remain hard pressed and corporate bankruptcies and defaults are now above pre-pandemic levels in several countries, posing risks to financial stability. Growth could also disappoint in China, either due to the persistent weakness in property markets or smaller-than-anticipated fiscal support over the next two years, although activity could be stronger than expected if fiscal support is extensive or well-targeted.

On the upside, demand growth could prove stronger than expected, especially in advanced economies if households and corporates draw more fully on the savings accumulated during the pandemic. Continued strong labour force growth in many countries might also enable inflation to fall more quickly than anticipated. Against this backdrop, the key policy priorities are to ensure a durable reduction in inflation, establish a fiscal path that will address rising pressures, and undertake reforms to raise sustainable and inclusive growth in the medium term.

Amidst the global challenges, the Indian economy has stayed resilient and has emerged as the fastest growing major economy of the world in FY2024 for the third successive year. Indian economy remained resilient with robust 7.6% growth rate of GDP in FY 2023-24 over and above 7% growth rate in FY 2022-23. India has been a key growth engine for the world, contributing 16% to the global growth in 2023.

Headline inflation has been on a moderating path during FY2024 with food price pressures interrupting the descent even as core inflation softened across its goods and services components. Industrial and farm input price pressures remain muted and organized sector wage growth stayed steady. Average CPI inflation stood at 5.4% in FY2024 as compared to 6.7% in FY2023. The prospects of fixed investment remain bright with business optimism, healthy Corporate and Bank balance sheets, robust government capital expenditure and signs of upturn in the private capex cycle.

The International Monetary Fund (IMF) has raised India's growth forecast for 2024-25 to 6.8% from 6.5% on the back of strong domestic demand and a rising working-age population. Double-digit growth rate of Construction sector (10.7%), followed by a good growth rate of Manufacturing sector (8.5%) have boosted the GDP growth in FY 2023-24. Private consumption in the first half of FY 2023-24 was the highest since FY15 and this led to a boost to production activity resulting in enhanced capacity utilization across sectors.

### **Textile Outlook**

The textile market size has grown strongly in recent years. It will grow from \$638.03 billion in 2023 to \$689.54 billion in 2024 at a compound annual growth rate (CAGR) of 8.1%. The growth witnessed in the historical period can be ascribed to factors such as the expansion of the global population, heightened demand for man-made fibers, government initiatives supporting the textile industry, robust economic growth in emerging markets, and the implementation of restrictions on plastic usage. The textile market size is expected to see strong growth in the next few years. It will grow to \$903.45 billion in 2028 at a compound annual growth rate (CAGR) of 7.0%. The anticipated growth in the upcoming period can be attributed to factors such as the continued increase in global population and urbanization, the rapid expansion of e-commerce, heightened expenditure on leisure activities, the growing retail penetration, increased internet accessibility and smartphone usage, and a rising preference for contactless delivery solutions.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy and showed a strong recovery from the COVID-19 pandemic shock. The textile and apparel industry is an integral part of India's economy contributing approximately 2.3% to the GDP, 13% to industrial production and 12% to exports, according to Invest India. It is also the second largest employer in the country offering employment to 45 million people and 100 million in allied industries.

World cotton production is projected to reach nearly 117 million bales in 2024/25 (up by 4.6 million bales). Growing moderately at an average 1.5% per year, it is estimated to increase by 18.4 million bales, or 16% above 2023/24, to around 130.7 million bales by 2033/34. By 2033/34, leading cotton producers are projected to be China (24%), India (22%), Brazil (13%), United States (11%), Pakistan (6%), and Australia (5%). Global cotton consumption is projected at 114.3 million bales in 2024/25 (up by 1.8 million bales). It is estimated to grow by about 17.2 million bales over the projection period, or 15% above 2023/24, growing at a modest rate of 1.5% per year.

For Indian textile industry, this fiscal year was one of the most challenging years, posing challenges like raw material availability, price volatility, diminishing demand, capacity under-utilization and dumping of imported fabrics and garments from China and Bangladesh. The buying by the US and EU has remained quite low and that too for an unusually longer period, which has affected the exports badly and emerged as a drag on growth. India's textile export declined further in FY 2023-24 to US\$ 34.4 billion. This is a consecutive decline year on year after the boom immediately after Covid. Geo-political issues across the major markets and higher interest rate to regulate inflation are cited as the prime reasons for the decline. Indian Textile & Apparel export dwindled approx. 3% from last year's value of US\$ 35.5 billion while if compared to US\$ 41 billion of FY 2021-22, the fall in export is whopping 16%. Readymade garments which constitute around 42% of the export basket declined 10% in 2023-24 to US\$ 14.5 billion. Among the export markets, North America topped with US\$ 11 billion, followed by Europe at US\$10 billion while West Asia and North Africa contributed US\$ 4 billion.

The only silver lining is that export of Cotton Yarn, Fabrics, Made-ups and Handloom products witnessed a significant increase of US\$ 740 billion in FY 2023-24 over the previous fiscal. Also, apparel export is expected to perform better in current financial year from the dismal performance of last year. Apart from the geopolitical unrest and high interest rate, escalated logistic costs due to Red Sea crisis have also played a spoilsport affecting textile exports.

The domestic industry had been consistently demanding the imposition of MIP to restrict the influx of cheaper synthetic fabric. The alleged dumping of synthetic fabric, especially from China, based on under-invoicing practices, was causing significant damage to the domestic synthetic fabric industry. During a Textile Advisory Group (TAG) meeting in the Government had assured the industry that the issue of undervalued imports of knitted fabrics would be addressed within a few months. The enforcement of MIP provides much-needed relief to an industry that has suffered from this practice for years and is seen as a crucial step in protecting the domestic industry and ensuring a fair marketplace for all stakeholders. The decision is expected to effectively curb the import of undervalued synthetic knitted fabrics being dumped into India, thus encouraging the industry to continue upholding the standards to foster growth, innovation, and prosperity within the textile sector.

Federation of Indian Export Organizations (FIEO) said, the overall western economy has taken a hit, especially in terms of recession in some parts of the globe. "This has caused a drop in consumer confidence in those countries. The persisting Red Sea crisis has escalated sea freight by about 100%, while air freights have gone up by up to 200% due to the demand for ferrying goods through air cargo. However, the fall in textile exports is being corrected since the decrease in exports between FY22. The Apparel Exports Promotion Council (AEPC), expressed optimism for a recovery, citing recent months' improvements and anticipated benefits from FTAs signed between India, the UK, and the EU, along with government initiatives like the PLI Scheme and PM MITRA Park to boost production capabilities

The Interim Budget 2024 saw Rs. 1,000 crore higher allocations for the textile and apparel sector. Of the total allocation of Rs. 4,392.85 crore compared with Rs. 3,443.09 crore last year, the Budget provided Rs. 600 crore for the procurement of cotton by the Cotton Corporation of India (CCI) under the price support scheme. The allocation for the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has seen a 5.8% increase, while the Remission of State Levies on Exported Products (RoSCTL) has seen a substantial 10% boost. On a positive note, the allocation for the PM Mitra scheme stands at Rs 300 crore. The budget also demonstrates a commendable commitment to the development of technical textiles and research and development (R&D). This emphasis on investment in these areas is indicative of a forward-thinking approach to bolstering the textile industry.

This FY 2024-25 dawns, the signs of revival seen in the US market have raised the hopes for exports to improve in the upcoming months. According to rating agencies, India's textiles industry is expected to rebound in calendar year (CY) 2024 on three tailwinds: consistent improvement in domestic demand, gradual recovery in exports and balancing raw material prices. As per the Experts after experiencing contraction for a year, textile production and exports are trotting back to normal. A steady reduction of inventory pileup during the holiday season in the West continues to drive export demand. With improving consumer demand big retailers in the overseas markets will have to restock inventory, leading to improvements in the order flow.

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	31st March, 2024	31st March, 2023	Changes (%)	Remarks
Debtor Turnover Ratio	Days	56	40	-40.00	Due to improvement in collection period.
Inventory Turnover Ratio	Days	98	61	-60.65	Due to Increase in Raw material Inventory Stocks.
Interest Coverage Ratio	Times	4.08	12.59	-67.59	Mainly due to reduction in EBIDTA margins along with Increase in Utilization of Working Capital Limit for Stocking of raw Coon Bales
Current Ratio	Times	1.85	2.63	-29.65	As Current Assets increased mainly due to increase in Inventories and Trade Receivables, on the other hand current liabilities also increased due to increase in short term borrowings, but increase in current liabilities was comparatively higher than increase in current Assets. Therefore, current ratio was lower than last year.
Debt Equity Ratio	Times	0.97	0.53	83.01	Due to increase in short term borrowings and utilization of reserves for buy back.
Operating Profit Margin	%	6.42	10.92	-41.20	Net profit during the year was lower as compared to last year mainly due to low sales price of yarn as compared to last year
Net Profit Margin	%	2.96	5.99	-50.58	
Return on Net Worth	%	7.81	14.75	-47.05	

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

The company had achieved EBIDTA/Sales ratio of 10.13% during FY 2023-24 vis –a-vis EBIDTA/Sales ratio of 13.17% in the previous FY 2022-23 which has decreased mainly due to decrease in yarn prices as compare to previous financial year. The current year net profit after tax is Rs. 7034.56 Lakhs against previous year net profit after tax of Rs. 13198.20 Lakhs which was down by almost 46.70% due to due to rising depreciation and finance cost.

### FINANCIAL ANALYSIS

#### Production/Revenue

The year started on a very sombre note with many headwinds faced by our industry like expensive raw materials, supply chain issues, inventory accumulation with the whole chain. Even though the Company has earned revenue from operation of Rs. 237714.19 Lakhs, a growth of 7.80% year to year. During the year under review, the company has achieved production of 80845 M.T. of Cotton/Synthetic Yarn against previous year production of 61769 M.T. which had increased by 23.60% due to increase in spindle capacity by almost 35%. The company has achieved a gross turnover/operating income of Rs. 237714.19 Lakhs (including export incentives of Rs. 5736.23 Lakhs) as compared to Rs. 220502.30 Lakhs (including export incentives of Rs. 4507.46 Lakhs) in the previous year. The values of the exports were at Rs. 111949.81 lakhs in the current year as compared to Rs. 100232.08 Lakhs in the previous year.



**Profitability**

During the year under review, the Company had achieved Earning before Depreciation, Interest, Tax and Amortization (EBIDTA) of Rs. 24086.26 Lakhs with EBIDTA/Sales ratio of 10.13% during FY 2023-24 as compared to Rs. 29035.00 Lakhs with EBIDTA/Sales ratio of 13.17% in the previous FY 2022-23 which has decreased mainly due to decrease in yarn prices as compare to previous financial year. The cost of interest had increased to Rs. 5907.29 Lakhs as compared to Rs. 2304.89 Lakhs in the previous year due to Increase in Utilization of Working Capital Limit on account of Stocking of raw cotton Bales.

The Company earned profit before tax of Rs. 9590.43 Lakhs as compared to previous year Rs. 18949.80 Lakhs. After providing for current tax of Rs. 2158.61 Lakhs (Previous year Rs. 4887.18 Lakhs), Prior Period Tax of negative value of Rs. 50.45 Lakhs (Previous Year Rs. 7.64 Lakhs) Deferred tax liabilities of Rs. 447.71 lakhs (Previous Year of Rs. 856.78 Lakhs), there was a net profit after tax of Rs. 7034.56 Lakhs against previous year net profit after tax of Rs. 13198.20 Lakhs. Total Other Comprehensive Income for current financial year is Rs. 12.74 lakhs as compared to Rs. 72.00 Lakhs in previous year and the net profit after tax and other comprehensive income was Rs. 7047.30 Lakhs as compared to previous year net profit after tax and other comprehensive income of Rs. 13270.20 Lakhs. The company earned gross cash profit (before tax) of Rs. 18178.97 Lakhs against Rs. 23764.80 Lakhs in the previous year and cash profit (after current taxes) of Rs. 16070.81 Lakhs against Rs. 18869.98 Lakhs in the previous year.

During the year review the company status got upgraded by Ministry of Commerce industry from a Three Star Export House to Four Star Export House. In the upcoming financial year, company will continue to evaluate all options on expanding capacity and exploring new markets and strengthening our domestic presence and introducing new yarns in our repertoire.

**RESOURCE UTILISATION**
**Fixed Assets**

The net Block of Property, Plant and Equipment as at 31st March, 2024 was Rs. 78584.27 Lakhs as compared to Rs. 75696.44 Lakhs in the previous year which has increased on account of installation of Solar Power Plant. The Capital work in progress was nil for year ended 31st March, 2024 as compared to Rs. 662.07 Lakhs in the previous year.

During this year, capacity expansion of spindles, which we have fully integrated in existing capacity. Now total spindles count stands 378576 Spindles. All phases of rooftop solar power plant completed and total capacity stands at 25 megawatts.

**Current Assets and Current Liabilities**

The current assets as on 31st March, 2024 were Rs. 115496.66 Lakhs as against Rs. 78491.84 Lakhs in the previous year. Inventory level was at Rs. 64504.71 Lakhs as compared to the previous year level of Rs. 37197.82 Lakhs. Trade Receivables level was at Rs. 35606.32 Lakhs (including Bill discounted/Negotiated of Rs.3538.79 Lakhs) as compared to the previous year level of Rs. 23369.00 Lakhs (including bill discounted/Negotiated of Nil Lakhs). The current liabilities as on 31st March 2024 were Rs.62469.23 Lakhs as against Rs. 29813.40 Lakhs in the previous year.

**LIQUIDITY & CAPITAL RESOURCES**

The position of liquidity and capital resources is given below:

(Rupees in Lakhs)

Particulars	FY 2023-24	FY 2022-23
<b>Cash &amp; Cash Equivalents</b>		
Beginning of the year	1155.56	53.54
End of the year	144.58	1155.56
<b>Net Cash provided/ (used) by:</b>		
Operating Activities	-23579.49	51969.41
Investing Activities	-4561.20	-39185.48
Financial Activities	27129.71	-11681.91

**CREDIT RATING**

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

Sr No.	Name of the Facility	Rating on 06.06.2023 (Reaffirmed)	Rating on 30.08.2023 (Enhanced Bank Debt from Rs. 835 crore to Rs. 1000 Crore)
1.	Long Term Rating	CRISIL A/Stable(Reaffirmed)	CRISIL A/ Stable(Reaffirmed)
2.	Short Term Rating	CRISIL A1(Reaffirmed)	CRISIL A1(Reaffirmed)

Further all the External Credit ratings is available on Company's website i.e. [www.sportking.co.in](http://www.sportking.co.in)

**4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been established in the Company and that such controls are adequate and operating effectively. The Company has laid down certain guidelines and processes which enables implementation of appropriate internal financial controls across the organization. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Statutory Auditors in their audit report have opined that these controls are operating effectively. The Audit team develops an audit plan based on the risk profile of the business activities. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, their compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee reviews the reports submitted by the Internal Auditors

**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**

The Board has recommended a Final Dividend of Rs. 5/- per equity share of face value of Rs. 10/- each on fully paid equity shares amounting to Rs. 635.36 Lakhs and 5% on Non-Cumulative Non- Convertible Redeemable Preference Shares of face value of Rs. 10/- each amounting to Rs. 34.16 Lakhs for FY 2023-24. Dividend on equity shares is subject to approval of members at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source. The Dividend will be paid to members whose names appear in the register of members as on record date and in respect of shares held in dematerialized form, it will be paid to the members whose names are furnished by NSDL and CDSL as beneficial owners as on that date.

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 7 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. <https://sportking.co.in/wp-content/uploads/2022/07/Dividend-Distribution-Policy-SIL.pdf>

Shareholders may kindly note that pursuant to SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 effective April 01, 2024, dividend payments shall be withheld in case of shares held in physical mode where any of the KYC details viz PAN, choice of Nomination, Contact details, Mobile number, Bank details and Specimen signatures are not updated as on the record date for payment of dividend. Further, pursuant to SEBI Circular- SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023, intimation in this regard has been sent to the shareholders holding shares in physical mode about the need for Updation of KYC details. Shareholders are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the websites of the Company and the RTA.

## **9. SHARE CAPITAL**

The paid up Equity Share Capital as at 31st March, 2024 stood at Rs. 1286.80 Lakhs divided into 12707200 Equity Shares of the face value of Rs. 10/- each (Rs. 1270.72 Lakhs plus amount of Rs. 16.08 Lakhs paid up on forfeited Equity Shares minus Amount of Rs. 58.00 lakhs paid on buyback of Equity shares) vis-à-vis Rs. 1344.80 Lakhs as at 31st March, 2023 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 Rs. 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.

The paid up 5% Redeemable Non-Cumulative Non-Convertible Preference Shares Capital as at 31st March, 2024 stood at Rs. 683.20 Lakhs divided into 68,32,000 Preference shares of face value Rs. 10/- each vis-à-vis Rs. 683.20 Lakhs as at 31st March, 2023 divided into 68,32,000 Preference Shares of 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, 2024 none of the Directors of the Company hold instruments convertible into equity shares of the Company.

Further subject to the approval of members of the Company and statutory authority(ies) if any, the Board of Directors at its Meeting held on 20th July 2024 has approved, the sub-division/ split of equity shares of the Company, such that 1 (one) equity share having face value of Rs. 10/- (Rupees ten only) each, fully paid-up, be sub-divided into 10 (ten) equity shares having face value of Rs. 1/- (Rupee one only) each, fully paid- up ranking pari-passu in all respects with effect from such date as may be fixed for this purpose by the Board ("Record Date").

In the opinion of the Board of Directors, the proposed sub-division/ split will make the equity shares of the Company more affordable and is expected to encourage participation of investors at large and therefore it is in the best interest of the investors and the Company.

The sub-division/ split of equity shares of the Company as aforesaid will require alteration to the existing Capital Clause i.e., Clause V of the Memorandum of Association of the Company. There will not be any change in the amount of authorised, subscribed, issued and paid-up share capital of the Company on account of sub-division/ split of the equity shares. Further, such sub-division/ split shall not be construed as reduction in share capital of the Company, in accordance with the applicable provisions of the Companies Act, 2013.

## **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 may be accessed on the Company's website at the link: <https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>

**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 <https://sportking.co.in/wp-content/uploads/2022/07/Risk-Management-Policy.pdf>.

**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 annexed as “**Annexure-C**”. 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 <https://sportking.co.in/pdf/Related-Party-Transaction-Policy.pdf>

**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, Mrs. Anjali Avasthi (DIN: 06911970), Non-Executive Non-Independent Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

In the last Annual General Meeting of the Company held on 16<sup>th</sup> September, 2023, shareholders of the company through special resolution had re-appointed Dr. Sandeep Kapur as Independent Director of the Company for a second term of five consecutive years w.e.f. 17<sup>th</sup> September, 2023 till the conclusion of Annual General Meeting to be held in the year 2028 and he shall not liable to retire by rotation.

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 fulfills 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

## 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: <https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf>

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

The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment, including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, color, marital status and sex.

The Company has in place Policy on Prevention, Prohibition and Redressal of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an Internal Complaints Committee for redressal of grievances regarding sexual harassment received by the Committee. All employees are covered under this Policy. During the year under review, the Company has not received any complaints of sexual harassment. The Company has complied with all the applicable provisions of the said Act.

**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 31<sup>st</sup> March, 2024.
- 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 30<sup>th</sup> 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 38<sup>th</sup> 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 31<sup>st</sup> March, 2024. 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**

Section 204 of the Act, inter-alia requires every listed company to undertake Secretarial Audit and annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form. In line with the requirement of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company had appointed M/s Sunny Kakkar and Associates, Company Secretaries (FCS NO – 10111, CP NO-12712) to carry out Secretarial Audit for the financial year 2023-24.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2024 is annexed as “Annexure-D” to this Report. This report is unqualified and self-explanatory and does not call for any further comments/explanations.

Further the Board of Directors in its Meeting held on 27<sup>th</sup> April, 2024 and 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 2024-25.

#### **COST AUDITORS**

M/s R.R. & Company, Cost Accountants had submitted Cost Audit Report along with Annexure for the Financial Year ended 31st March, 2024. 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 2024-25. 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 2023-24 has been uploaded on Company's website at [www.sportking.co.in](http://www.sportking.co.in).

#### **22. LISTING OF SECURITIES**

The fully paid up 12707200 Equity Shares (face Value of Rs. 10/- each) of the Company are listed on BSE Limited and National Stock Exchange of India Limited (NSE) for trading as on 31.03.2024. The Company has also paid the listing fees for financial year 2024-25 to BSE and NSE within the prescribed due time.

#### **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 15.2 MW Rooftop Solar Power Project at Ludhiana and Bathinda Unit and now the total capacity of the solar stands at 25.2 megawatts. Rooftop solar power helps in reducing of greenhouse gas emissions and also 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-E" 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 F" of this report.

#### **27. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING(BRSR)**

The Business Responsibility & Sustainability Report for the year ended 31st March, 2024 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 annexed to this report as "Annexure-G" and also available on the Company's website.

#### **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: 20.07.2024**

**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, 2024**

**(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.**

The Company's CSR initiatives are inspired by the opportunity to contribute to a more secure and sustainable future. Sportking believes that the corporate strategy which embraces social developments as an integral part of the business activities ensure long term sustainability of business enterprises. With this belief, the Company is committed to make substantial improvements in the social framework of the nearby community.

The detailed policy of the company on corporate social responsibility is available at Company's website <https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>.

**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. Naresh Kumar Jain	Member	Executive Non Promoter Director	1	1
3.	Dr. Sandeep Kapur	Member	Non-Executive Independent Director	1	1

**3. 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.**

<https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>

<https://sportking.co.in/investor-relations/>

**4. 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****

**5. 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.	2023-24	₹ 51.77 Lakhs	₹ 51.77 Lakhs

**6. Average net profit of the company as per section 135(5)- ₹ 28496.48 Lakhs**

**7. (a) Two percent of average net profit of the Company as per section 135(5)- ₹ 569.93 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **Nil**

(c) Amount required to be set off for the financial year, if any- ₹ 51.77 lakhs

(d) Total CSR obligation for the financial year (7a+7b- 7c) - ₹ 518.17 lakhs

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in ₹)				
	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
₹ 557.09 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:

Si. 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 ₹)	Mode of implementation – Direct (Yes/No)	Mode of implementation –Through implementing agency
1.	Contribute towards Eradication of poverty	Eradicating Poverty	Yes	Bathinda/Ludhiana	429.18	Yes	NA
2.	Contribute towards Preventive and curative health services in communities	Promoting Healthcare	Yes	Bathinda/Ludhiana	46.27	Yes	NA
3.	Contribute towards Rural Development	Rural Development	Yes	Bathinda/Ludhiana	14.86	Yes	NA
4.	Contribute towards Eradication of poverty	Eradicating Poverty by distributed Clothes	No	Jammu	66.78	No	Through Bharat Vikas Parishad, Delhi (CSR-CSR00000558)

(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): **₹ 557.09 Lakhs**

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

Sr No	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 569.93 Lakhs
(ii)	Total amount spent for the Financial Year	₹. 557.09 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(₹ 12.84 Lakhs)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 51.77 Lakhs
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 38.93 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 : 20.07.2024

**Munish Avasthi**  
Chairman of CSR Committee

FORM NO. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014.*

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

During the Financial Year 2023-24, the Company had not entered into any contract/ arrangement/ transaction with its related parties which is not in ordinary course of business or at arm's length.

- a) Name(s) of the related party and nature of relationship: **Not Applicable**
- b) Nature of contracts/arrangements/transactions: **Not Applicable**
- c) Duration of the contracts/arrangements/transactions: **Not Applicable**
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**
- e) Justification for entering into such contracts or arrangements or transactions: **Not Applicable**
- f) Date of approval by the Board: **Not Applicable**
- g) Amount paid as advances, if any: **Not Applicable**
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **Not Applicable**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

All the transactions entered into by the Company with its related parties, during the year under review were in the "ordinary course of the business" and on "an arm's length basis", none of which was "material" in accordance with the Company's Related Party Transactions Policy.

- a) Name(s) of the related party and nature of relationship: **Not Applicable**
- b) Nature of contracts/arrangements/transactions: **Not Applicable**
- c) Duration of the contracts/arrangements/transactions: **Not Applicable**
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**
- e) Date(s) of approval by the Board, if any: **Not Applicable**
- f) Amount paid as advances, if any: **Not Applicable**

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

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

**Place: Ludhiana  
Date: 20.07.2024**

ICSI UDIN:- F010111F000785787

MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2024**

[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, 2024 (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, 2024, 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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder "FEMA" 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"):-  
The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - a) The Securities and Exchange Board of India(Listing obligations and Disclosure Requirements) Regulations, 2015;
  - b) 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 and Sweat Equity Shares) Regulations, 2021;**(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, 2021; and **(Not Applicable for the period under review)**;
- (xi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;



(xii) Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021- (**Not Applicable during the audit period**);

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2).
- b. 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 generally complied with the applicable provisions of the Act, rules, regulations, guidelines and standards etc, mentioned above and filed requisite forms and returns as per prescribed under the various law.

(xiii) 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 in advance 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:-**

- The Company has initiated the buyback process after the approval from the Board of Directors on 28 January, 2023 in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018 for the buyback of 5,80,000 equity shares at Rs 950.00/- per share (8.01% of the aggregate paid-up equity share capital and free reserves). The buy-back process was completed on 17th April 2023.
- Further in the Annual General Meeting held on 16.09.2023, the Members of the Company have approved the re-appointment of Dr. Sandeep Kapur, Non-Executive Independent Director of the Company for a second term of five consecutive year's w.e.f 17.09.2023.

**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:- 20/07/2024**

**Place:- Khanna**

**UDIN:- F010111F000785787**

**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.**

**Prop. CS Sunny Kakkar  
Khanna FCS, LL.B, B.COM  
FCS No. 10111, CP No. 12712**

**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.  
Payment of Wages Act, 1946  
The Minimum wages Act, 1948  
The Payment of Bonus Act, 1972.  
Payment of Gratuity Act, 1972.  
Contract Labour (Regulation & Abolition) Act, 1970  
Maternity Benefit Act, 1961  
Employee Compensation Act, 1923

**List of Environmental Laws:-**

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

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**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, 2024 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:- 20/07/2024**  
**Place:- Khanna**  
**UDIN:- F010111F000785787**

**Prop. CS Sunny Kakkar**  
**Khanna FCS, LL.B, B.COM**  
**FCS No. 10111, CP No. 12712**

**ANNEXURE E**

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 31<sup>st</sup> March, 2024.

**1. Conservation of Energy**

- To reduce the power consumption, Solar power generation of 15.2 MW capacity was installed in all our plant roof and the same was fully commissioned. All phases of rooftop solar power plant completed and total capacity stands at about 25 MW.
- Only energy efficient motors, compressors and LED Lights are being installed at all Units.

**(FORM A)**
**A Power & Fuel Consumption**

		2023-24	2022-23
i)	Electricity		
a)	Purchased		
	Units (Kwh.)	239283020	196404730
	Amount (₹)	1517095651	1145131272
	Rate Per Unit (₹)	6.34	5.83
b)	(Through Generator)		
	Units (Kwh)	98752	92520
	Amount (₹)	2493366	2229158
	Cost per unit (₹)	25.25	24.09
ii)	Coal / Pet coke		
	Qty. (Kgs.)	2181375	2127097
	Amount (₹)	32928684	44324150
	Rate per unit (₹)	15.09	20.83
iii)	Furnace Oil	NIL	NIL
iv)	Rice Husk	NIL	NIL
	Qty. (Kgs.)	NIL	NIL
	Amount (₹)	NIL	NIL
	Rate per unit (₹)	NIL	NIL
v)	Other/internal Solar Generation	24352604	10492362

**B) Consumption per Unit of production**

i)	Electricity (Kwh/Kg. of Product)	2.96	3.18
ii)	Coal and Rice Husk	0.03	0.03
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 15.2 MW Solar Power Plant at our Bathinda & Ludhiana Unit.
- b. Optimization of H-plant during winter season.
- c. Installation of Energy efficient spindles
- d. Implementation of zero waste water policy .

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 ₹ 11949.81 Lakhs by export of its products. The outgoes of foreign exchange is ₹ 34897.42 Lakhs, 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 2023-24 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24 are as under:

Sr. No.	Names of the Directors/KMP	Designation	Remuneration of the financial year 2023-24 (₹ In Lacs)	Ratio of Directors/KMP remuneration to Median remuneration	% increase in the Remuneration in the Financial year 2023-24
<b>I Executive Directors</b>					
1	Mr. Munish Avasthi	Chairman-cum-Managing Director	225.45	174.96	Nil
2	Mr. Naresh Kumar Jain	Executive Director	20.70	16.06	Nil
<b>II Non-Executive Directors</b>					
3.	Dr. Sandeep Kapur	Independent Director	0.40	0.31	-
4.	Mr. Prashant Kochhar	Independent Director	0.40	0.31	-
5.	Mrs. Harpreet Kaur Kang	Independent Director	0.20	0.15	-
<b>III Key Managerial Personnel</b>					
6.	Mr. Sandeep Sachdeva (Refer Note)	Chief Financial Officer	37.28	28.92	NA
7.	Mr. Lovlesh Verma	Company Secretary	9.44	7.31	17.72

**Notes**

- Managerial remuneration does not include value of non-cash perquisites.
  - Remuneration of Mr. Sandeep Sachdeva (CFO) for FY 2023-24 cannot be compared with previous FY 2022-23 as he received remuneration for only few days.
2. There were 5974 permanent employees and worker (excluding Apprentice/Trainee) the rolls of Company as on March 31, 2024.
3. The median remuneration of employees of the Company during the financial year 2023-24 was ₹ 128856.
4. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2023-24 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	9%
Blue Collar	
- Monthly Wagers	8%
- Daily Wagers	8%

5. **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.
6. 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 (₹ In Lacs)	Nature of Employment	Qualification	Experience (Years)	Joining Date	Age	Previous Employment	% of Equity Shares held	Relationship with Director
Shiv Kumar Sharma	President	45.45	Permanent	B.Tech	37	22.08.2013	60	Birla Textiles Indonesia	Nil	No
D.S. Yadav	Vice President (H.R.)	28.43	Permanent	MSW	35	02.07.1997	58	Pashupati Spinning and Weaving Mills Limited	Nil	No
Rashim Jindal	President (Marketing)	27.90	Permanent	MBA	32	09.09.2004	54	Vardhman Spinning and General Mills Limited	Nil	No
Jagjeet Kumar Marwaha	GM	24.43	Permanent	B.Tech	35	10.01.2010	58	Nahar Spinning Mills Limited	Nil	No
Rajender Pal	AVP (HR & Admin)	24.19	Permanent	MBA (HR) , MSW	38	08.09.2017	59	Vardhman Polytex Limited	Nil	No
R.P. Gupta	EA to MD	23.34	Permanent	Master of Textile Technology	38	16.09.2014	60	Thai Acrylics Fibre, Thailand	Nil	No
Ashok Ahuja	SR. GM	23.32	Permanent	B.Tech (Textile)	37	19.08.2010	60	Orient Syntex Limited	Nil	No
Abhay Rastogi	GM	23.27	Permanent	B.Tech	35	17.04.1998	58	Malwa Cotton Spinning Mills	Nil	No
Naresh Kumar Behl	GM	22.31	Permanent	Master of Education	39	04.11.2012	59	JCT Limited	Nil	No
Shaji John	AVP	22.06	Permanent	B.Tech (Textiles)	34	12.03.2013	61	Ginni Filaments Limited	Nil	No



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING**

**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	<a href="mailto:cs@sportking.co.in">cs@sportking.co.in</a>
7.	Telephone	0161-2845456
8.	Website	<a href="http://www.sportking.co.in">www.sportking.co.in</a>
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd National Stock Exchange of India Limited
11.	Paid-up Capital (INR)	19,53,92,000
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: <a href="mailto:cs@sportking.co.in">cs@sportking.co.in</a>
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.
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

**II. Products/services:**

**16. 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%

**17. 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:**

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

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

**19. Markets served by the entity:**
**a. Number of locations:**

Locations	Number
National (No. of States)	21
International (No. of Countries)	39

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

Exports contribute 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 39 countries. For export of its product, Company is working directly as well as through Agents with the overseas customers.

**IV. Employees**
**20. 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)
<b>EMPLOYEES</b>						
1.	Permanent(D)	546	525	96.15%	21	3.85%
2.	Other than Permanent (E)		Nil			
3.	<b>Total employees (D+E)</b>	<b>546</b>	<b>525</b>	<b>96.15%</b>	<b>21</b>	<b>3.85%</b>
<b>WORKERS</b>						
4.	Permanent(F)	5428	2907	53.56%	2521	46.44%
5.	Other than Permanent(G)		Nil			
6.	<b>Total workers (F+G)</b>	<b>5428</b>	<b>2907</b>	<b>53.56%</b>	<b>2521</b>	<b>46.44%</b>

**b. Differently abled Employees and workers:**

S. NO.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent(D)	-	-	-	-	-
2.	Other than Permanent(E)	-	-	-	-	-
3.	<b>Total differently abled employees (D+E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	17	15	88.23%	2	11.77%
5.	Other than permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F+G)</b>	<b>17</b>	<b>15</b>	<b>88.23%</b>	<b>2</b>	<b>11.77%</b>

**21. 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 31<sup>st</sup> March, 2024.

**22. Turnover rate for permanent employees and workers:**

(Disclose trends for the past 3 years)

	FY2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	14.88	10.00	14.70	19.07	5.40	18.56	14.50	17.64	14.61
<b>Permanent Workers</b>	70.53	59.64	65.59	74.52	60.23	68.32	75.15	57.84	67.79

**V. Holding, Subsidiary and Associate Companies (including joint ventures):**
**23. (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:**
**24.**

(i)	Whether CSR is applicable as per section 135 of Companies Act,2013	Yes
(ii)	Turnover(in Rs.)	237714.19 Lakhs
(iii)	Net worth (in Rs.)	90258.67 Lakhs

**VII. Transparency and Disclosures Compliances:**
**25. 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)	2023-24			2022-23		
		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	The Company has framed Whistle Blower Policy facilitating better Corporate Governance practices which ultimately benefit all the stakeholder. Company has Standard operating procedure in place to resolve the grievances. The Whistle Blower policy is available at the Company's website at <a href="https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf</a>	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. The Whistle Blower policy is available at the Company's website at <a href="https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf</a>	Nil	Nil	Nil	Nil	Nil	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web – link for grievance redress policy)	2023-24			2022-23		
		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
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 <a href="mailto:cs@sportking.co.in">cs@sportking.co.in</a> for escalating unresolved investor grievances. The Shareholder has option to raise their concern through SMART ODR Portal <a href="https://smartodr.in/login">https://smartodr.in/login</a> or through SCORES Portal <a href="https://scores.sebi.gov.in/">https://scores.sebi.gov.in/</a> Further Shareholder can reach out at <a href="https://sportking.co.in/investor-relations/">https://sportking.co.in/investor-relations/</a> for any grievance redressal.	8	Nil	Fully Resolved	23	Nil	Fully Resolved
Employees and workers	Yes, the grievance of the employees and workers are redressed through emails, or open forum meetings. The Whistle Blower policy is available at the Company's website at <a href="https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf</a>	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes. Customers address their grievances through e-mail on <a href="mailto:rashimjindal@sportking.co.in">rashimjindal@sportking.co.in</a> or quick contact placed on Company's website: <a href="http://www.sportking.co.in">www.sportking.co.in</a>	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. The Whistle Blower policy is available at the Company's website at <a href="https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf</a>	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	NA	Nil	Nil	Nil	Nil	Nil	Nil

**26. 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.	Emissions and Energy	Opportunity	In FY 2023-24 the Company had successfully commissioned 15.31 MW Rooftop Solar Power Plant at its Bathinda (10.24 MW) / Ludhiana (5.07 MW) taking the aggregate capacity of Solar to 25.51 MW. Adopting renewable energy sources such as solar power can resulting in cost savings and reductions in greenhouse gas emissions.	NA	Positive Implications
2.	Responsible corporate governance	Opportunity	Strong, independent and diverse Board of company is committed to defining and practicing the highest level of Corporate Governance	NA	Positive Implications
3.	Product Quality and Safety	Risk and Opportunity	Better quality products that are safe to use and also safeguards the Company for quality and safety claims	The in-house quality inspection ensures that all the products delivered are of the highest quality.	Negative Implications
4.	Supply of Good quality raw cotton at reasonable prices.	Risk and Opportunity	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.	We have a dedicated cotton team to monitor availability of exclusive its availability and its price fluctuations. The personnel at the cotton growing areas and their prudent & pragmatic cotton procurement strategies enable us to access quality cotton Also Strategic Purchases along with Import the raw cotton from the overseas countries as per requirement.	Both Positive and Negative Implications
5.	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
6.	Occupational Health & Safety	Risk	Providing a safe and healthy workplace to all employees and workers is a prerequisite for productivity and organisational growth.	Company ensures that their operations are conducted keeping in mind the safety and well-being of their employees	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
<b>Policy and management processes</b>									
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>c. Web Link of the Policies, if available</b>	<p>P1: <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p><a href="https://sportking.co.in/wp-content/uploads/2022/07/Code-of-Conduct-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Code-of-Conduct-Policy.pdf</a></p> <p><a href="https://sportking.co.in/pdf/Related-Party-Transaction-Policy.pdf">https://sportking.co.in/pdf/Related-Party-Transaction-Policy.pdf</a></p> <p><a href="https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf</a></p> <p>P2 : <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p>P3: <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p><a href="https://sportking.co.in/wp-content/uploads/2022/07/Code-of-Conduct-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Code-of-Conduct-Policy.pdf</a></p> <p>P4: <a href="https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf</a></p> <p><a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p><a href="https://sportking.co.in/wp-content/uploads/2022/07/Code-of-Conduct-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/Code-of-Conduct-Policy.pdf</a></p> <p>P5: <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p>P6: <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p>P7: <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p>P8: <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p> <p><a href="https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf">https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf</a></p> <p>P9: <a href="https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf">https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf</a></p>								
<b>2. Whether the entity has translated the policy into procedures.(Yes /No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y



<p><b>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.</b></p>	<ul style="list-style-type: none"> <li>• Recycled Claim Standard 2.0 (RCS2.0)</li> <li>• Fairtrade Certificate</li> <li>• Global Recycled Standard (4.0)</li> <li>• GLOBAL ORGANIC TEXTILE STANDARD 6.0 (GOTS6.0)</li> <li>• ORGANIC CONTENT STANDARD 3.0 (OCS3.0)</li> <li>• OEKO-TEX STANDARD 100</li> <li>• ISO 9000:2015</li> <li>• CMA Certificate</li> <li>• Higg Index Certificate</li> </ul>																																								
<p><b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b></p>	<p>Though not set any such specific commitment goals, we continue to adhere all the guiding principles.</p>																																								
<p><b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b></p>																																									
<p><b>Governance, leadership and oversight</b></p>																																									
<p><b>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):</b></p> <p>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.</p>																																									
<p><b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</b></p>	<p>Name: Mr. Munish Avasthi Designation: Chairman and Managing Director DIN: 00442425</p>																																								
<p><b>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.</b></p>	<p>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.</p>																																								
<p><b>10.Details of Review of NGRBCs by the Company:</b></p>																																									
<p><b>Subject for Review</b></p>	<p><b>Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee</b></p> <p><b>Frequency(Annually/Half yearly/ Quarterly/ Any other – please specify)</b></p>																																								
	<table border="1"> <tr> <td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td> </tr> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>1</td><td>2</td> </tr> </table>	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2
P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P																						
1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2																						
<p>Performance against above policies and follow up action</p>	<p>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.</p>																																								
<p>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</p>	<p>The Board of Directors reviews the Statutory Compliances on applicable laws.</p>																																								
<p><b>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.</b></p>	<table border="1"> <tr> <td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td> </tr> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>9</td> </tr> </table> <p>No</p>	P	P	P	P	P	P	P	P	P	P	1	2	3	4	5	6	7	8	9	9																				
P	P	P	P	P	P	P	P	P	P																																
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<p><b>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</b></p>																																									
<p><b>Questions</b></p>	<table border="1"> <tr> <td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td> </tr> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>9</td> </tr> </table>	P	P	P	P	P	P	P	P	P	P	1	2	3	4	5	6	7	8	9	9																				
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The entity does not consider the Principles material to its business (Yes/No)	<b>Not applicable</b>
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)	

### SECTIONC: 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	Familiarization was provided on various topics related Textile Industry Scenario, corporate governance, regulatory changes, economic development, and other various market scenarios.	100%
Key Managerial Personnel	1	The KMP participated in sessions on the Company's Code of Conduct, business ethics, workplace conduct, and law and compliance.	100%
Employees other than BOD and KMPs	449	The Employee was given sessions on Creating a safe work environment (POSH), Conservation of Water & Energy, Various benefits of social security schemes and General policies of the company.	98%
Workers	453	The Workers were given sessions on Training On Operation of Machinery and equipment's , Creating a safe work environment (POSH), Fire & Safety, Mock Drill Waste Handling Training Programme, Various benefits of social security schemes, Work Ethics and Various training session like No child labour, No bribery, No discrimination etc	97%

##### 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	Brief of the Case	Brief of the Case	Has an appeal been preferred?(Yes/No)
Penalty/Fine		Nil			
Settlement		Nil			
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case		Has an appeal been preferred?(Yes/No)
Imprisonment		Nil			
Punishment					

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 Whistle Blower Policy available at the Company's website at <https://sportking.co.in/wp-content/uploads/2022/07/Whistle-Blower-Policy.pdf>

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 2023-24 and 2022-23.

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

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
No. of complaints received in relation to issues of Conflict of Interest of the <b>Directors</b>	NIL	NA	NIL	NA
No. of complaints received in relation to issues of Conflict of Interest of the <b>KMPs</b>	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

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	13	17

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	29.05	29.20
	b. Number of dealers / distributors to whom sales are made	20	17
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	96.09	97.51
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases) (%)	0.27	0.34
	b. Sales (Sales to related parties / Total Sales) (%)	0.46	0.77
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances) (%)	NA	NA
	d. Investments (Investments in related parties / Total Investments made) (%)	NA	NA

**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
Nil	NA	-

**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 Related Party Transactions (RPT) and has also formulated a policy for determining the RPT and the details of such policies for dealing with RPT is available at the Company's website at <https://sportking.co.in/pdf/Related-Party-Transaction-Policy.pdf>. There were no materially significant related party transactions between Company and the Directors, Promoters, Key Managerial Personnel, and other designated persons which may have a potential conflict with the interest of the company at large. We have obtained all Prior approval for all the related party transactions from the Audit Committee of the Board. Further Company has a Code of Conduct for the board members and senior management. The Code of Conduct captures the potential areas where a conflict of interest can arise and the reporting mechanism for the same. The board members and senior management submit an annual declaration to the secretarial team stating that they have duly complied with the Code of Conduct. The Policy on code of conduct is available at the Company's website at <https://sportking.co.in/wp-content/uploads/2022/07/Code-of-Conduct-Policy.pdf>.

**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 2024	FY 2023	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	7.05%	7.13%	Meeting about 13-14% of our power requirement through Installation of Solar would further strengthen our green power

**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/organic cotton about 28% 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.**

a. Plastics (including packaging): We collaborate with certified recyclers approved by the State Pollution Control Board (SPCB) and the Central Pollution Control Board (CPCB).

b. E-waste: For the disposal of E-waste, we partner with and authorized CPCB / SPCB vendors.

c. Hazardous waste: The hazardous waste generated from our operations is disposed through authorized CPCB/SPCB vendor per the compliance.

d. Other waste: For waste materials that do not fall into the above categories, we evaluate the possibility of recycling or reusing them within our production processes before sending it for disposal.

**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.**

Yes, Extended Producer Responsibility (EPR) norms are applicable to our entity's activities, and we adhere to these regulations as mandated by the Central pollution control boards.

**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)?**

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)
<b>Permanent Employees</b>											
Male	525	525	100%	525	100%	NA	NA	NA	NA	0	0
Female	21	21	100%	21	100%	21	100%	NA	NA	21	100
<b>Total</b>	<b>546</b>	<b>546</b>	<b>100%</b>	<b>546</b>	<b>100%</b>	<b>21</b>	<b>4%</b>	<b>NA</b>	<b>NA</b>	<b>21</b>	<b>4%</b>
<b>Other than Permanent Employees</b>											
Male	Nil										
Female	Nil										
<b>Total</b>	Nil										

**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)
<b>Permanent Workers</b>											
Male	2907	2907	100%	2907	100%	0	0.00	0	0	0	0
Female	2521	2521	100%	2521	100%	2521	100%	0	0	2521	100%
<b>Total</b>	<b>5428</b>	<b>5428</b>	<b>100%</b>	<b>5428</b>	<b>100%</b>	<b>2521</b>	<b>46%</b>	<b>0</b>	<b>0%</b>	<b>2521</b>	<b>46%</b>
<b>Other than Permanent Workers</b>											
Male	Nil										
Female	Nil										
<b>Total</b>	Nil										

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.20	0.17

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

Benefits	FY 2023-24			FY 2022-23		
	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	38.11%	98.27%	Y	66.67%	99.35%	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 is 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:**

At Sportking, we believe in providing equal opportunities to all individuals. We do not discriminate against employees, associates, or job applicants based on characteristics such as age, race, colour, religion or creed, sex (including pregnancy), marital status, military or veteran status, disability (mental or physical), national or ethnic origin, citizenship status, social origin (including caste), gender identity or expression, sexual orientation, protected genetic information, or any other characteristic protected by law. Our Code of Business Conduct and Ethics emphasize our commitment to no discrimination based on race, gender, religion, caste, creed, age, disability, national origins or such other factors. The Policy on Code of Business Ethics is available at the Company's website at <https://sportking.co.in/wp-content/uploads/2024/06/Code-of-Business-Ethics.pdf>.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
<b>Total</b>	-	-	-	-

Female employees are covered under ESI and they can avail maternity leave and benefits as per ESI rules.



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	Yes	<ul style="list-style-type: none"> <li>The Company has established a transparent &amp; impartial complaint resolution process with the goal of addressing concerns as quickly as possible &amp; in compliance with the law. There has been a Code of Conduct for Workers which provides ways for assessing, investigating &amp; reporting of complaints</li> </ul>
Other than Permanent Workers	Yes	
Permanent Employees	Yes	<ul style="list-style-type: none"> <li>Company's HR department has mechanisms in place to address employee grievances. The HR department is accessible both at the office and factory sites, and they proactively listen to all employees and workers feedback and issues and work towards resolution.</li> <li>For Employees, the Company has a vigil mechanism to deal with instance of fraud and mismanagement; if any. The Vigil Mechanism ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.</li> </ul>
Other than Permanent Employees	Yes	

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

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B / A)
<b>Total Permanent Employees</b>						
Male	-	-	-	-	-	-
female	-	-	-	-	-	-
<b>Total Permanent Workers</b>						
Male	-	-	-	-	-	-
female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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)
<b>Employees</b>										
Male	525	-	-	525	100%	496	-	-	496	100%
Female	21	-	-	21	100%	19	-	-	19	100%
<b>Total</b>	<b>546</b>	-	-	<b>546</b>	<b>100%</b>	<b>515</b>	-	-	<b>515</b>	<b>100%</b>
<b>Workers</b>										
Male	2907	2907	100%	2907	100%	2869	2869	100%	2869	100%
Female	2521	2521	100%	2521	100%	2271	2271	100%	2271	100%
<b>Total</b>	<b>5428</b>	<b>5428</b>	<b>100%</b>	<b>5428</b>	<b>100%</b>	<b>5140</b>	<b>5140</b>	<b>100%</b>	<b>5140</b>	<b>100%</b>

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

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (A)	No. (B)	% (B / A)
<b>Employees</b>						
Male	525	525	100%	496	496	100%
Female	21	21	100%	19	19	100%
<b>Total</b>	<b>546</b>	<b>546</b>	<b>100%</b>	<b>515</b>	<b>515</b>	<b>100%</b>
<b>Workers</b>						
Male	2907	2907	100%	2869	2869	100%
Female	2521	2521	100%	2271	2271	100%
<b>Total</b>	<b>5428</b>	<b>5428</b>	<b>100%</b>	<b>5140</b>	<b>5140</b>	<b>100%</b>

**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, we have implemented unit wise occupational health and safety management system which committed to fostering a safe and healthy work environment by minimising the likelihood of accidents, injuries, and health concerns. The Company complies with all applicable laws and regulations regarding workplace safety. Company prioritises the health and safety of its employees whilst at work. We strive to create a positive workplace where all employees feel safe. We believe that employees can perform at their best and contribute effectively to the Company's success only in such an environment.

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

Hazard identification is a continual process that is conducted on a regular basis by the HR and Operations teams. The Operations team is responsible for identifying work related hazards and assessing risks on a continuous basis at the site. The Company also collaborates with key stakeholders to understand and review existing operating procedures, identify gaps, and provide control-focused recommendations to help define management action plans, including roles and implementation dates.

- 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 2023-24	FY 2022-23
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 2023-24			FY 2022-23		
	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%
Working Conditions	100%

**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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
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?

Yes, we offer assistance programs to support our retired employees during their transition, often engaging them as short-term consultants if they desire and when their expertise is needed.

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 .	Ongoing	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.**

Risk Management Committee is responsible for the internal and external ESG related risks. Additionally, the Committee ensures the implementation of appropriate methodologies, processes, and systems to monitor and evaluate ESG risks and to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

**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.**

Yes, stakeholder consultation plays a pivotal role in the identification and management of environmental and social topics. By engaging with our stakeholders, including customers, dealers, suppliers, investors, employees, communities, industry associations, and regulatory bodies, we discuss the key concerns of the stakeholders. This collaborative approach ensures that the stakeholder perspectives and concerns are considered in our business decisions making our policies and activities more aligned with sustainable practices.

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

We firmly believe in empowering and improving the lives of not only our employees but also the communities within which we operate. We are committed to addressing the concerns of vulnerable and marginalized groups through targeted CSR initiatives.

**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 2023-24			FY 2022-23		
	Total (A)	No. of Employees, workers covered (B)	% (B/ A)	Total (C)	No. of Employees, workers covered (D)	% ( D/C)
<b>Employees</b>						
Permanent	546	546	100%	515	515	100%
Other than Permanent	Nil					
<b>Total Employees</b>	<b>546</b>	<b>546</b>	<b>100%</b>	<b>515</b>	<b>515</b>	<b>100%</b>
<b>Workers</b>						
Permanent	5428	5428	100%	5140	5140	100%
Other than permanent	Nil					
<b>Total Workers</b>	<b>5428</b>	<b>5428</b>	<b>100%</b>	<b>5140</b>	<b>5140</b>	<b>100%</b>

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

Category	FY 2023-24					FY 2022-23				
	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)
<b>Employees</b>										
<b>Permanent</b>	546	32	5.86%	514	94.14%	515	97	18.83%	418	81.17%
Male	525	28	5.33%	497	94.67%	496	93	18.75%	403	81.25%
Female	21	4	19.05%	17	80.95%	19	4	21.05%	15	78.95%
<b>Other than Permanent</b>	Nil									
Male	Nil									
Female	Nil									
<b>Workers</b>										
<b>Permanent</b>	5428	4205	77.47%	1223	22.53%	5140	3976	77.35%	1164	22.65%
Male	2907	1817	62.50%	1090	37.50%	2869	1799	62.70%	1070	37.30%
Female	2521	2388	94.72%	133	5.28%	2271	2177	95.86%	94	4.14%
<b>Other than Permanent</b>	Nil									
Male	Nil									
Female	Nil									



**3. Details of remuneration/salary/wages,**

- **Median remuneration / wages:**

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	40000	1	20000
Key Managerial Personnel*	4	2898553	0	NA
Employees other than BOD and KMP	521	306600	21	213600
Workers	2907	128856	2521	128856

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

- **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
<b>Gross wages paid to females as % of total wages</b>	26.12	29.19

**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, the Human Resources (HR) function acts as a focal point addressing human rights impacts and issues arising from our operations. We encourage our employees and workers to report violations of human rights.

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

Company has established Business Ethics Policy which acts as guidance mechanism to address grievances related to human rights issues and other internal grievances. Employees and workers are encouraged to directly reach out to the Human Resource team regarding any concerns or grievances related to human rights issues. Company has implemented a Whistle-Blower policy, which is designed to encourage employees, workers, and other stakeholders to report any human rights violations or concerns without fear of retaliation. This policy ensures confidentiality and provides the necessary safeguards for whistle-blowers, creating a secure channel for voicing concerns. Further, the employees and workers can report their grievances through the suggestion box. These initiatives foster a workplace that ensures the well-being and dignity of our employees.

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

	FY 2023-24			FY 2022-23		
	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. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format :**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

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

We have specifically set up an Internal Compliance committee which looks after the instances of harassment and discrimination at the work place. There were no complaints received from our workers.

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

Yes

**10. Assessments for the year:**

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

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

There were no instances of human rights violations, and as a result, no business processes were modified.

**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	-
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 2023-24	FY 2022-23
<b>From renewable sources (GJ)</b>		
Total electricity consumption(A)	87669	37772
Total fuel consumption(B)	-	-
Energy consumption through Other sources(C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>87669</b>	<b>37772</b>
<b>From non-renewable sources (GJ)</b>		
Total electricity consumption(D)	861418	707057
Total fuel consumption(E)	355	333
Energy consumption through Other sources(F)	-	-
<b>Total energy consumed from non- renewable sources (D+E+F)</b>	<b>861773</b>	<b>707390</b>
<b>Total energy consumed (GJ) (A+B+C+D+E+F)</b>	<b>949442</b>	<b>745162</b>
Energy intensity per rupee of turnover (Total energy consumption in Units/turnover in rupees)	0.01	0.01
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)</b>	-	-
Energy intensity in terms of physical Output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**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**

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.

Yes

Unit Name	PAT Cycle	Year	Assessment TOE	Target TOE	Achieved TOE
Ludhiana-Village Kanech	VII	2022-23 to 2024-25	0.4427	0.4251	PAT Cycle is under execution
Bathinda-Village Jida	VII	2022-23 to 2024-25	0.3700	0.36577	PAT Cycle is under execution

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

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilo litres)</b>		
(i) Surface water	NA	NA
(ii) Ground water (including STP)	5,50,190	5,11,943
(iii) Third party water	NA	NA
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilo litres) (i+ii+iii+iv+v)</b>	<b>5,50,190</b>	<b>5,11,943</b>
<b>Total volume of water consumption (in kilo litres)</b>	<b>5,50,190</b>	<b>5,11,943</b>
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	0.00	0.00
<b>Water intensity (optional)- the Relevant metric may be selected by the entity</b>	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. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface water</b>	<b>Not applicable</b>	<b>Not applicable</b>
-No treatment		
-With treatment - please specify level of treatment		
<b>(ii) To Groundwater</b>	<b>Not applicable</b>	<b>Not applicable</b>
-No treatment		
-With treatment - please specify level of treatment		
<b>(iii) To Seawater</b>	<b>Not applicable</b>	<b>Not applicable</b>
-No treatment		
-With treatment - please specify level of treatment		
<b>(iv) Sent to third - parties</b>	<b>Not applicable</b>	<b>Not applicable</b>
-No treatment		
-With treatment - please specify level of treatment		
<b>v) Others</b>	<b>Not applicable</b>	<b>Not applicable</b>
-No treatment		
-With treatment - please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>Not applicable</b>	<b>Not applicable</b>

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

Currently, none of our facilities are a Zero Liquid Discharge site. However, we have implemented wastewater purification systems across all our manufacturing sites to maintain the quality of discharged wastewater within the permissible limits set by CPCB or the SPCBs.

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
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

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

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
<b>Total Scope1 and Scope 2 emissions per rupee of turnover</b>	NA	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	NA	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity	NA	NA	NA

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

Yes. In FY 2023-24 the Company had successfully commissioned 15.31 MW Rooftop Solar Power Plant at its Bathinda (10.24 MW) / Ludhiana (5.07 MW) taking the aggregate capacity of Solar to 25.51 MW. Adopting renewable energy sources such as solar power can result in cost savings and reductions in greenhouse gas emissions.

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

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated(in metric tonnes)</b>		
Plastic waste(A)	0.51	NA
E-waste (B)	1.46	2.77
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)	0.55	1.45
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
<b>Total(A+B+C+D+E+F+G +H)</b>	<b>2.52</b>	<b>4.22</b>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)	0.00	0.00
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	-	-
<b>Waste intensity in terms of physical output</b>	-	-
<b>Waste intensity (optional)</b> –the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	NIL	NIL
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	2.52	4.22
<b>Total</b>	<b>2.52</b>	<b>4.22</b>

**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.

**10. 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.

11. 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

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

Not Applicable

13. 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. Further consent to Operate taken Under Punjab Pollution Control Board for all Units.

**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.

Name of authority	Brief of the case	Corrective action taken
-	-	-

#### Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others –please specify)	Web Link, if available
-	-	-	-	-	-



**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. The Policy on Corporate Social Responsibility (CSR) is available at the Company's website at <https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>.

**Essential Indicators**

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. **Provide information on project(s) for which on-going Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:**

S. No.	Name of Project for which R&R is on-going	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	Nil	Nil
Sourced directly from within the district and neighbouring districts	3.00%	0.56%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	67.80	63.80
Semi-urban	16.73	18.87
Urban	12.20	13.90
Metropolitan	3.28	3.43

Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**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):**

Details of negative social impact identified	Corrective action taken
Nil	NA

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

S. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

**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, no benefits derived and shared from the intellectual properties owned or acquired

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share

**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

Name of authority	Brief of the Case	Corrective action taken
-	-	-

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Health care Support	Public at large	The beneficiaries of Company's CSR Programs and projects are from all sections of the society in our area of influence.
2.	Rural Development		
3.	Eradication of poverty		

For details refer to Annexure to Director's Report 2023-24 (Annual Report on Corporate Social Responsibilities (CSR) Activities for Financial Year 2023-24)

**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.**

We have put in place a system to address customer complaints promptly and effectively, managed by a devoted team. To ensure seamless user experience, a thorough procedure to resolve complaints has been formulated. If customers express issues quality of materials upon delivery, these are meticulously evaluated by our marketing and quality departments.

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

Particular	as a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY 2023-24		Remarks	FY 2022-23		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 <https://sportking.co.in/wp-content/uploads/2022/07/Risk-Management-Policy.pdf>.

**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.

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches- Nil
- Percentage of data breaches involving personally identifiable information of customers- Nil
- Impact, if any, of the data breaches- Nil

**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](http://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. a. 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.

**b. 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)**

Yes

By the order of the Board  
For Sportking India Limited

Place: Ludhiana  
Date: 20.07.2024

Munish Avasthi  
Chairman & Managing Director  
DIN: 00442425

## CORPORATE GOVERNANCE REPORT

The Company strives to adopt the highest standards of excellence in Corporate Governance. The Company has consistently practiced good Corporate Governance norms for the efficient conduct of its business and meeting its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates. The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ["SEBI Listing Regulations"]. The principles governing the disclosures and obligations have been implemented in a manner so as to achieve the objectives of Corporate Governance.

The Company's continued endeavor is to achieve good governance which ensures our performance rules with integrity whereby ensuring the truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers and the community at large. Apart from the compliance with the statutory provisions of the Companies Act, Allied Acts and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is in compliance with all the requirements of the Corporate Governance code as enriched in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We believe that sound Corporate Governance is critical to enhance and retain stakeholder's trust.

### 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, 2024 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 31.03.2024 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	22,02,158
Mr. Naresh Kumar Jain	Executive and Non Promoter Director	3,863
Mrs. Anjali Avasthi	Non- Executive Non Independent Director	8,077
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

*\*Dr. Sandeep Kapur (DIN: 07016726) was re-appointed as s an Independent Director of the Company for second term of five (5) consecutive years w.e.f. 17<sup>th</sup> September 2023 till the conclusion of Annual General Meeting to be held in the year 2028 and he shall not liable to retire by rotation.*

**BOARD MEETINGS:**

The Meetings of Board of Directors are scheduled well in advance and are held at least once in every quarter to inter alia review and consider the performance of the Company and approve the Financial Results. The agenda of the business matters to be transacted at the Board Meeting along with detailed note(s) thereto are circulated to the Board members, as per the time limits specified under the applicable acts, rules and regulations. During the year under review, Board met 4 (four) times on the following Dates:

- 29<sup>th</sup> April, 2023
- 22<sup>nd</sup> July, 2023
- 21<sup>st</sup> October, 2023
- 20<sup>th</sup> January, 2024

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. Munish Avasthi	4	Yes	-	-	-	-
Mr. Naresh Kumar Jain	4	Yes	-	-	-	-
Mrs. Anjali Avasthi**	4	Yes	-	-	-	-
Mr. Prashant Kochhar	4	Yes	-	-	-	-
Dr. Sandeep Kapur *	4	Yes	5	Vardhman Acrylics Limited (Non-Executive Independent Director)#  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)	3	1
Mrs. Harpreet Kaur Kang	2	No	1	Vardhman Textiles Limited (Non-Executive Independent Director)	2	1

\* Dr. Sandeep Kapur (DIN: 07016726) was re-appointed as s an Independent Director of the Company for second term of five (5) consecutive years w.e.f. 17<sup>th</sup> September 2023 till the conclusion of Annual General Meeting to be held in the year 2028 and he shall not liable to retire by rotation.

# Dr. Sandeep Kapur (DIN: 07016726) was appointed as s an Independent Director of the Vardhman Acrylic Limited w.e.f.01.08.2023.

**Notes**

1. The above mentioned Directorships exclude private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013.
2. Committee includes Audit Committee and Stakeholders Relationship Committee.
3. 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.
4. 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.

**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 31.03.2024**

**AUDIT COMMITTEE:**

**Terms of Reference:**

Your Company has in place, an Audit Committee, constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, comprising of members in compliance of the said regulations. The Committee is entrusted with the powers / role as prescribed under Section 177 of the Companies Act, 2013 and regulation 18 of SEBI (LODR) Regulations, 2015. The terms of reference of the Audit Committee are as under:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- To ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.
- Review of Statement of significant related party transactions submitted by the management.
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
- Approval of payment to statutory auditors for any other services rendered by them.
- Review where necessary:-
  1. the methods used to account for significant or unusual transactions where different approaches are possible;
  2. whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the view of the Statutory Auditor;
  3. the clarity of disclosure in the Company's financial reports and the context in which statements are made;
  4. all material information presented with the financial statements, such as the notes to the accounts;
  5. the CEO / CFO Certification.
- Review with the management and recommend for Board approval, the quarterly financial statements after having reviewed the limited review process with the Statutory Auditors
- The Committee further reviews the process and controls including compliance with laws, Code of Conduct and Code of Conduct for Prevention of Insider Trading and Code for Corporate Disclosure Practices, Whistle Blower Policies and related cases thereto, functioning of the Prevention of Sexual Harassment at Workplace Policy, guidelines and internal controls.
- Approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carry out any other function as is mentioned in the terms of reference of the Audit Committee and prescribed under Section 177 of the Companies Act, 2013 and regulation 18 of SEBI (LODR) Regulations, 2015.

**Composition**

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 is 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.

During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The committee met four (4) times during the financial year under review on 29.04.2023, 22.07.2023, 21.10.2023, 20.01.2024. 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	4
Dr. Sandeep Kapur	Member	Non-Executive Independent Director	4
Mrs. Harpreet Kaur Kang	Member	Non-Executive Independent Director	2
Mr. Naresh Kumar Jain	Member	Executive and Non-Promoter Director	4

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

#### Terms of Reference:

Your Company has in place Stakeholders' Relationship Committee in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference of Committee is as under:

- Redressal of grievances of shareholders, transfer and transmission of securities, dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.,
- Issuance of duplicate shares certificates
- Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority

In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents to redress all complaints/ grievances/enquiries of the shareholders/investors.

#### Composition

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

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 2023-2024, 8 investor complaints/ queries were received which was fully resolved and there was no pending complaint at the end of FY 2023-24. 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	3/10
Mr. Munish Avasthi	Member	Executive and Promoter Director	10/10
Mr. Naresh Kumar Jain	Member	Executive and Non-Promoter Director	10/10

**NOMINATION AND REMUNERATION COMMITTEE**
**Terms of Reference:**

Your Company has in place a Nomination and Remuneration Committee, constituted in accordance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, comprising of members in compliance of said regulations. The Committee is entrusted with the powers as prescribed under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The terms of reference of the Nomination and Remuneration Committee ('NRC') is as under:

- To recommend to the Board, the remuneration packages of Company's Managing/Whole Time/Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, performance incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.)
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key Managerial Personnel and other employee.
- Formulating criteria for evaluation of Independent Directors and the Board.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.
- The Nomination and Remuneration Committee shall recommend to the board, all remuneration payable to the Senior Management, in any form;
- Carry out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee and prescribed under Section 178 of the Companies Act, 2013 and regulation 19 of SEBI (LODR) Regulations, 2015.

**Composition**

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 Company Secretary acts as the Secretary to Nomination & Remuneration Committee.

**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.
3. 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.
4. 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 one (1) time during the Financial Year under review on 22.07.2023. 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	1/1
Mr. Prashant Kochhar	Member	Non-Executive Independent Director	1/1
Mrs. Harpreet Kaur Kang	Member	Non-Executive Independent Director	1/1

**Details of the Remuneration paid/payable to the Directors and Key Managerial Personnel for the Year Ended 31<sup>st</sup> March, 2024.**
**Executive Directors:**

Name	Designation	Salary (Rs.)	Allowances / Perquisites (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Mr. Munish Avasthi	Chairman and Managing Director	2,22,00,000	3,45,844	-	-	2,25,45,844
Mr. Naresh Kumar Jain	Executive and Non-Promoter Director	13,80,000	6,90,000	-	-	20,70,000

**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	40,000
Mr. Prashant Kochhar	Non-Executive Independent Director	40,000
Mrs. Harpreet Kaur Kang	Non-Executive Independent Director	20,000
<b>Total</b>		<b>1,00,000</b>

**Key Managerial Personnel**

Name	Designation	Amount (Rs.)
Mr. Sandeep Sachdeva	Chief Financial officer (CFO)	37,27,106
Mr. Lovlesh Verma	Company Secretary	9,43,984

**Note:** Amount did not include Leave Travel Allowance and conveyance reimbursement.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**
**Terms of Reference:**

The Company has in place a Corporate Social Responsibility Committee, constituted in accordance with Section 135 of the Companies Act, 2013, comprising of members in compliance of the said Act. The terms of reference of the Corporate Social Responsibility Committee are as under:

- Formulate and recommend to the Board, a CSR Policy.
- Recommend the amount of expenditure to be incurred on CSR activities.
- Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
- Monitor CSR policy from time to time

**Composition**

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

The Company Secretary acts as the Secretary to Committee.

The Company has adopted the Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as part of its CSR programs. The CSR policy is disclosed on the website of the Company <https://sportking.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>.

The committee met once during the financial year under review on 29.04.2023. 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

**RISK MANAGEMENT COMMITTEE:**
**Terms of Reference**

The Company has in place a Risk Management Committee constituted in accordance with the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 comprising of members in compliance with the said regulations. The terms of reference of the Committee are as under:

- To formulate a detailed Risk Management Policy which shall include:
  1. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  2. Measures for risk mitigation including systems and processes for internal control of identified risks.
  3. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity

**Composition**

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

Sr. No.	Name of the Director	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 Company Secretary of the Company acts as the Secretary of the Committee. The Company formulated Risk Management Policy, which is uploaded on the Company's website [www.sportking.co.in](http://www.sportking.co.in).

The committee met three times (3) during the financial year under review on 29.04.2023, 16.09.2023 and 20.01.2024. 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	3/3
Mr. Naresh Kumar Jain	Member	Executive and Non Promoter Director	3/3
Dr. Sandeep Kapur	Member	Non-Executive Independent Director	3/3

**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. In accordance with the provisions of Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Director was held on 21.10.2023 during the FY 2023-24 without the presence of Non-Independent Director or members of the management to review:

- Performance of Non-Independent Directors and the Board of Directors as a Whole.
- Performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- 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.

The attendance of committee members is as under:

Name of the Directors	Category	No(s.) of Meetings Attended
Dr. Sandeep Kapur	Non-Executive Independent Director	1/1
Mr. Prashant Kochhar	Non-Executive Independent Director	1/1
Mrs. Harpreet Kaur Kang	Non-Executive Independent Director	1/1

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarized with the Company, their roles, rights and responsibilities in the Company, the Code of Conduct and Ethics to be adhered to, nature of the industry in which the Company operates, business model of the Company, meeting with the senior

management team members, etc. The Company undertakes various measures to update the Directors, from time to time, of any significant changes in the ongoing events and development relating to the Company.

The Company also undertakes various programmes to update the Directors, from time to time, of any significant changes in the ongoing events and development relating to the Company. The details of such familiarization programmes imparted to the independent directors can be viewed on the Company's website at <https://sportking.co.in/pdf/Familiarisation-Program-of-Independent-Directors-from-2019-20-to-till-da....pdf>.

#### **4. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, 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, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. 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 judgement, 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 Chairman 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 MEETINGS:**

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

Annual General Meeting	Day	Date	Time	Venue	No. of Special Resolutions Passed
34 <sup>th</sup>	Saturday	16/09/2023	10:30 A.M.	Village Kanech, Near Sahnewal, GT Road, Ludhiana-141120 (Punjab)	1
33 <sup>rd</sup>	Friday	30/09/2022	10:00 A.M	Village Kanech, Near Sahnewal, GT road, Ludhiana-141120	4
32 <sup>nd</sup>	Friday	10/09/2021	11:00 A.M	Village Kanech, Near Sahnewal, GT road, Ludhiana-141120	Nil

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

#### **6. MEANS OF COMMUNICATION**

The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the company are sent to the stock exchanges immediately after they are approved by the Board and are also published in prominent daily newspapers viz. Business Standards and Desh Sewak, Punjab. Also they are uploaded on the Company's Website [www.sportking.co.in](http://www.sportking.co.in). The results are published in accordance with the guidelines of the Stock Exchanges.

**7. GENERAL SHAREHOLDERS INFORMATION**

<b>I).</b>	<b>35<sup>th</sup> Annual General Meeting</b>	
	Date	17 <sup>th</sup> August 2024
	Time	10.30 AM
	Venue	Registered Office at Village Kanech, Near Sahnewal, GT Road, Ludhiana-141120 (Punjab)
<b>II).</b>	<b>Financial Calendar (Tentative)</b>	2024-25
	First Quarter Results (Unaudited)	On or before 14 <sup>th</sup> August, 2024
	Second Quarter Results (Unaudited)	On or before 14 <sup>th</sup> November, 2024
	Third Quarter Results (Unaudited)	On or before 14 <sup>th</sup> February, 2024
	Fourth Quarter (Audited)	On or before 30 <sup>th</sup> May, 2025
<b>III).</b>	<b>Dates of Book Closure</b>	11 <sup>th</sup> August 2024 to 17 <sup>th</sup> August 2024
<b>IV).</b>	<b>Dividend Payment Date</b>	Within 30 days after declaration of dividend.

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

The Company has paid listing fees for the financial year 2024-25 within due time.

**VI. STOCK MARKET DATA**

Monthly high and low prices of the Company's Scrip equity during the year on the BSE and NSE is given below:

**A) BSE Ltd.**

Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares Traded	Total Turnover
Apr-23	724.50	645.00	701.80	36464	24767118
May-23	798.00	659.25	665.55	42806	29202631
Jun-23	896.75	665.00	848.90	63736	52877885
July-23	950.00	782.70	787.70	368189	312804854
Aug-23	884.95	759.90	842.10	83475	68032791
Sep-23	864.04	780.05	814.70	40595	33223143
Oct-23	848.40	705.00	784.60	45020	36133496
Nov-23	894.00	745.80	822.35	51510	41183531
Dec-23	854.85	765.00	822.30	41,072	33172673
Jan-24	848.30	774.50	798.75	52966	4,29,36,104
Feb-24	970.95	785.00	826.10	70,883	60492882
Mar-24	875.00	738.35	791.85	29688	23598614

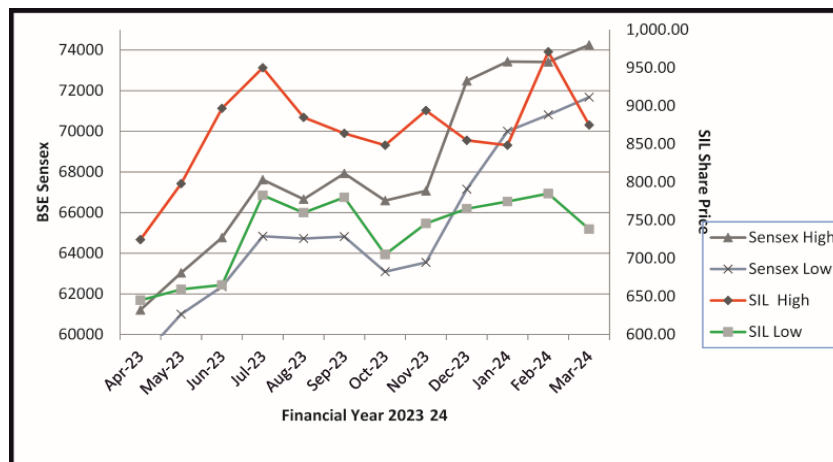


**B) National Stock Exchange of India Limited (NSE Ltd).**

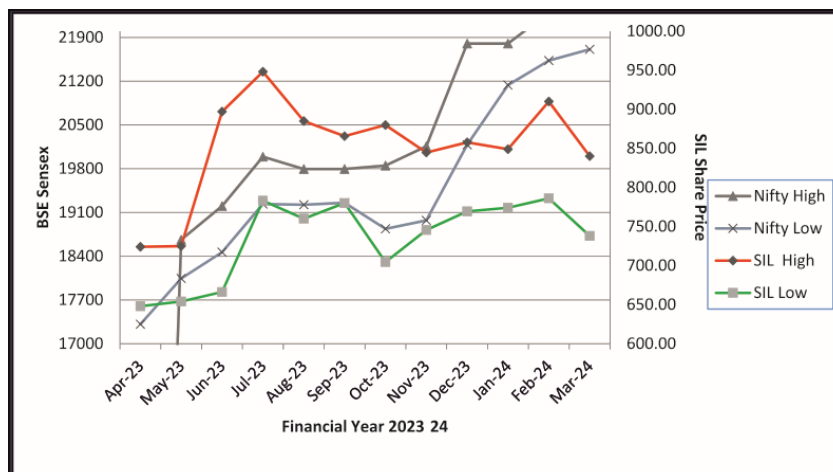
Month	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares Traded	Total Turnover
Apr-23	724.00	648.00	701.55	230000	155586000
May-23	725.00	653.95	665.80	243000	166050000
Jun-23	897.00	666.25	850.35	737000	606347000
July-23	948.15	783.00	787.15	894000	776344000
Aug-23	885.00	760.00	840.15	534000	436716000
Sep-23	865.65	780.00	811.85	343000	280509000
Oct-23	879.95	704.55	781.15	400000	321931000
Nov-23	844.65	745.55	823.45	320000	253280000
Dec-23	857.70	769.30	821.05	373000	301033000
Jan-24	849.00	774.00	799.20	433000	351551000
Feb-24	910.00	786.00	827.55	574000	488551000
Mar-24	840.00	738.00	796.30	244000	194318000

**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 31<sup>ST</sup> MARCH 2024.**

RANGE No. of Shares	Shareholders		Shares	
	No.(s)	% to Total No.(s)	No(s).	% to Total Shares
Up to 5000	18494	96.51	786374	6.19
5001 - 10000	338	1.76	254144	2.00
10001 - 20000	171	0.89	247249	1.95
20001 - 30000	45	0.25	118006	0.93
30001 - 40000	46	0.24	172166	1.35
40001 - 50000	9	0.05	41627	0.33
50001 - 100000	22	0.11	149185	1.17
100001 and Above	13	0.07	184458	1.45
200001 and Above	24	0.12	10753991	84.63
<b>TOTAL</b>	<b>19162</b>	<b>100.00</b>	<b>12707200</b>	<b>100.00</b>

**VIII. SHARE TRANSFER SYSTEM & REGISTRAR AND SHARES TRANSFER AGENTS (RTA)**

The requests received for Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The shares of the Company can be transferred / traded only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub- division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges.

Members are requested to correspond with the Company's Registrar and Transfer Agents for all matters related to share transfers, dematerialization, complaints for non-receipt of refund order/dividends etc. at the following address:

**Beetal Financial & Computer Services Private Ltd.**

3rd Floor, 99 Madangir  
 Behind Local Shopping Centre  
 Near Dada Harsukhdas Mandir  
 New Delhi 110062  
 Phone: 011-29961281, Fax: 011-29961284  
 Email: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

Registrar & Transfer Agent of the Company 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 31<sup>st</sup> March 2024, 97.65 % 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, 2024 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:**

Mr. Lovlesh Verma  
 Company Secretary & Compliance Officer  
 Village Kanech, Near Sahnewal  
 G.T Road, Ludhiana -141120  
 Phone:0161-2845456, Email: [cs@sportking.co.in](mailto:cs@sportking.co.in)

**Registrar & Transfer Agent:**

Beetal Financial & Computer Services Private Ltd.  
 3rd Floor, 99 Madangir  
 Behind Local Shopping Centre  
 Near Dada Harsukhdas Mandir  
 New Delhi 110062  
 Phone: 011-29961281, Fax: 011-29961284  
 Email: [beetalrta@gmail.com](mailto: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 06.06.2023 (Reaffirmed)	Rating on 30.08.2023 (Enhanced Bank Debt from Rs. 835 crore to Rs. 1000 Crore)
1.	Long Term Rating	CRISIL A/Stable(Reaffirmed)	CRISIL A/ Stable(Reaffirmed)
2.	Short Term Rating	CRISIL A1(Reaffirmed)	CRISIL A1(Reaffirmed)

**XVIII. OTHER DISCLOSURE**

- There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company. Transactions with related parties as per applicable Indian Accounting Standard have been disclosed in the notes forming part of the Financial Statement. The Policy on related party transactions, adopted by the Board in accordance with the provisions of Regulation 23 of the Listing Regulations, has been uploaded on the website of the Company [www.sportking.co.in](http://www.sportking.co.in).
- 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.
- 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 [www.sportking.co.in](http://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 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 are 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, 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.
- The Board of Directors in its meeting held on 27.04.2024 has recommended a dividend of Rs. 5 each on fully paid up equity shares of the Company subject to approval of shareholders in the ensuing Annual General Meeting.
- 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](http://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, 2024.
- 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 200 Equity shares lying in said account.
- The company has not entered into any transaction of a material nature with the Promoters, the Directors or the Management, their relatives etc. that may have any potential conflict with the interests of the company. The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the year under review.

**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 2023-24.

By Order of the Board  
For Sportking India Limited

(Munish Avasthi)  
Chairman and Managing Director  
DIN: 00442425

Place: Ludhiana  
Date: 20.07.2024

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

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**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 **31.03.2024**, 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, 2024 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: 27.04.2024

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 Sahnawal, GT Road  
Ludhiana-141120

We have examined the Compliance of Corporate Governance of Sportking India Limited for the FY 2023-24 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.

Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**Place: Ludhiana**  
**Dated: 20.07.2024**  
**UDIN: F010253F000782992**

**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 Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 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.

S. NO.	Name of the Director	DIN NO	Date of appointment in Company*
1	Munish Avasthi	00442425	25/10/1999
2	Anjali Avasthi	06911970	03/09/2022
3	Naresh Kumar Jain	00254045	30/07/2009
4	Prashant Kochhar	07298730	30/09/2015
5	Sandeep Kapur	07016726	03/11/2018
6	Harpreet Kaur Kang	03049487	17/10/2020

\*The date of appointment is as per the MCA portal.

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Ludhiana**  
**Dated: 20.07.2024**  
**UDIN: F010253F000783047**

**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, 2024, 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 material 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, 2024, 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 Matter**

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><b>Valuation of Inventory</b></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'). 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><b>Principal audit procedures</b></p> <ul style="list-style-type: none"> <li>• Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

**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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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. (A) 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, 2024 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2024 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.

- (B) 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:
- (a) The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 38 to the financial statements.
  - (b) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (d)
    - (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.
  - (e) The dividend declared and paid during the year if any is in compliance with Section 123 of the Act.
  - (f) Based on our examination which included test checks and according to the information and explanations given to us, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- (C) 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

Place: Ludhiana  
Date : 27<sup>th</sup> April, 2024  
UDIN: 24086066BKDGAN8962

**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 installed at unit located at Village Jeeda, Kotkapura Road, Distt. Bathinda 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: -

(Amount ₹ 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, 2023	State Bank of India and consortium of banks	Inventories	51,146.24	51,103.41	42.83	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Nil and Expected Credit Loss of ₹ 103.62)	29,782.00	29,455.52	326.48	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.
Sept 30, 2023	State Bank of India and consortium of banks	Inventories	29,980.72	29,924.89	55.83	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Nil and Expected Credit Loss of ₹ 121.19)	35,516.86	35,519.21	(2.35)	Differences are not material.

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
Dec 31, 2023	State Bank of India and consortium of banks	Inventories	47,680.94	47,681.08	(0.14)	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Nil and Expected Credit Loss of ₹ 508.03)	40,003.27	39,415.35	587.92	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, 2024	State Bank of India and consortium of banks	Inventories	64,504.71	64,290.23	214.48	Difference are due to value of Goods in Transit taken at the time of finalisation of accounts.
		Trade receivables (excluding Bills discounted amounting of ₹ 3538.79 Lakhs and Expected Credit Loss of ₹ 118.72 Lakhs)	32,186.24	31,827.83	358.41	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 and Expected Credit Loss have not been considered in the above figures as the same is not considered in the statement submitted to banks.

(iii) According to the information and explanations given to us, we report that the Company has not made investments in, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has given unsecured loans to the employees during the year, in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans as below:

Particulars	Amount (₹ in Lakhs)
Aggregate amount of loan given during the year	₹ 10.15
Balance outstanding as at 31st March, 2024	Nil

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the repayment of principal and payment of interest has been stipulated and the repayments / receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has not 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, 2024 on account of disputes are given below.

(Amount ₹ 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, 2015-16	581.47	-	581.47	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax Deducted at Source	2014-15	27.64	5.55	22.09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax Deducted at Source	2015-16	28.86	5.77	23.09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax Deducted at Source	2016-17	15.30	-	15.30	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise duty	2010-11	44.87	-	44.87	Central Excise & Service tax Appellate Tribunal, Delhi
Finance Act, 1994	Service Tax	2015-16, 2016-17, 2017-18	0.44	0.03	0.41	Central Goods and Services Tax Appeals Commissionerate, Ludhiana

- (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 wilful 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 : 27<sup>th</sup> April, 2024

## **ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT**

(Referred to in paragraph 2(A)(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, 2024 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 2024, 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 : 27<sup>th</sup> April, 2024

**BALANCE SHEET AS AT 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>I ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	3 (a)	78512.74	75610.53
(b) Capital Work-in-Progress	55	0.00	662.07
(c) Right of Use Asset	3 (b)	53.60	62.81
(d) Other Intangible Assets	3 (c)	17.93	23.10
(e) Financial Assets			
Other Financial Assets	4	1951.86	1789.83
(f) Income Tax Assets (Net)	24	206.80	176.34
(g) Other Non-Current Assets	5	77.67	662.96
<b>Total Non Current Assets</b>		<b>80820.60</b>	<b>78987.64</b>
<b>2. Current Assets</b>			
(a) Inventories	6	64504.71	37197.82
(b) Financial Assets			
(i) Trade Receivables	7	35606.32	23369.00
(ii) Cash and cash equivalents	8	144.58	1155.56
(iii) Bank Balances Other than (ii) above	9	1.00	5606.90
(iv) Other Financial Assets	10	1809.69	76.23
(c) Other Current Assets	11	13430.36	11086.33
<b>Total Current Assets</b>		<b>115496.66</b>	<b>78491.84</b>
<b>TOTAL ASSETS</b>		<b>196317.26</b>	<b>157479.48</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	1286.80	1344.80
(b) Other Equity	13	88955.74	88626.52
<b>Total Equity</b>		<b>90242.54</b>	<b>89971.32</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	39443.54	34266.56
(ia) Lease liabilities	15	45.95	58.17
(b) Provisions	16	1519.00	1225.03
(c) Deferred Tax Liabilities (Net)	17	2597.00	2145.00
<b>Total Non-Current Liabilities</b>		<b>43605.49</b>	<b>37694.76</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	48038.36	13080.22
(ia) Lease Liabilities	19	12.48	13.82
(ii) Trade Payables	20		
(A) Total Outstanding dues of Micro Enterprises and Small Enterprises		161.05	67.51
(B) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		8571.57	10261.61
(iii) Other Financial Liabilities	21	4295.83	4344.85
(b) Other Current Liabilities	22	525.31	1060.89
(c) Provisions	23	96.74	61.59
(d) Current Tax Liabilities (Net)	24	767.89	922.91
<b>Total Current Liabilities</b>		<b>62469.23</b>	<b>29813.40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>196317.26</b>	<b>157479.48</b>
<b>See accompanying notes to the financial statements</b>			

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 27, 2024

**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, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(I) Revenue from Operations	25	237714.19	220502.30
(II) Other Income	26	3570.55	1152.42
<b>(III) Total Income (I+II)</b>		<b>241284.74</b>	<b>221654.72</b>
<b>(IV) Expenses:</b>			
Cost of Materials Consumed	27	170256.26	155785.54
Purchases of stock-in-trade	28	79.22	88.14
Changes in Inventories of Work-in-Progress and Finished Goods	29	136.80	-1499.86
Employee Benefits Expenses	30	13941.45	11646.02
Finance Costs	31	5907.29	2304.89
Depreciation and Amortisation Expense	3(a),3(b),3(c)	8588.54	4815.00
Other Expenses	32	32784.75	26599.88
<b>Total Expenses</b>		<b>231694.31</b>	<b>199739.61</b>
<b>(V) Profit before Exceptional Items and Tax (III-IV)</b>		<b>9590.43</b>	<b>21915.11</b>
<b>(VI) Exceptional Items</b>	33	0.00	2965.31
<b>(VII) Profit before tax (V-VI)</b>		<b>9590.43</b>	<b>18949.80</b>
<b>(VIII) Tax Expense:</b>	34		
Current tax		2158.61	4887.18
Tax adjustment related to earlier years		-50.45	7.64
Deferred tax		447.71	856.78
<b>Total Tax</b>		<b>2555.87</b>	<b>5751.60</b>
<b>(IX) Profit for the year (VII-VIII)</b>		<b>7034.56</b>	<b>13198.20</b>
<b>(X) Other Comprehensive Income</b>			
(a) (i) Items that will not be reclassified to Profit or Loss			
-Remeasurement of Employee Defined Benefit Plans		17.03	96.22
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	34	-4.29	-24.22
<b>Total Other Comprehensive Income for the year</b>		<b>12.74</b>	<b>72.00</b>
<b>(XI) Total Comprehensive Income for the year (IX+X)</b>		<b>7047.30</b>	<b>13270.20</b>
<b>(XII) Earning per Equity Share of par value of ₹ 10/- each</b>			
<b>Basic (₹)</b>	37	<b>54.97</b>	<b>99.33</b>
<b>Diluted (₹)</b>		<b>54.97</b>	<b>99.33</b>
<b>See accompanying notes to the financial statements</b>			

 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 27, 2024

**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, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**a) Equity Share Capital**

Particulars	Amount
<b>Balance as at 1st April, 2022</b>	<b>1,344.80</b>
Change in equity share capital during the year	0.00
<b>Balance as at 31st March, 2023</b>	<b>1344.80</b>
Change in equity share capital during the year	
-Buy Back of Shares during the year (Refer Note 58)	-58.00
<b>Balance as at 31st March, 2024</b>	<b>1286.80</b>

**b) Other Equity**

Particulars	Equity Component of Compound Financial Instruments (Inclusive of Securities Premium)*	Reserve and Surplus					Total
		Capital Redemption Reserve	Securities Premium	Retained Earnings	General Reserve	other comprehensive income (remeasurement of defined benefit plans)	
<b>Balance as at 1st April, 2022</b>	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
Transferred to retained earnings	0.00	0.00	0.00	302.53	0.00	-302.53	0.00
Transferred 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 of ₹ 15.30 Lakhs) (refer note 58)	0.00	0.00	0.00	-45.48	0.00	0.00	-45.48
<b>Balance as at 31st March 2023</b>	<b>7733.04</b>	<b>318.52</b>	<b>259.97</b>	<b>80311.99</b>	<b>3.00</b>	<b>0.00</b>	<b>88626.52</b>
<b>Balance as at 1st April, 2023</b>	7733.04	318.52	259.97	80311.99	3.00	0.00	88626.52
Profit for the year	0.00	0.00	0.00	7034.56	0.00	0.00	7034.56
Other Comprehensive Income for the year	0.00	0.00	0.00	12.74	0.00	0.00	12.74
Premium on Buy Back of Equity Shares (refer note 58)	0.00	0.00	-259.97	-5192.03	0.00	0.00	-5452.00
Expenses pertaining to buyback of Equity Shares (net of tax benefits of ₹ 4.92 Lakhs) (refer note 58)	0.00	0.00	0.00	-1266.08	0.00	0.00	-1266.08
<b>Balance as at 31st March, 2024</b>	<b>7733.04</b>	<b>318.52</b>	<b>0.00</b>	<b>80901.18</b>	<b>3.00</b>	<b>0.00</b>	<b>88955.74</b>

\* 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, 2024 (₹ 1613.28 Lakhs till 31st March, 2023)

**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

**For and on behalf of the Board of Directors**

**(Sanjiv Mohan)**  
 Partner  
 M.No.086066

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

**Naresh Jain**  
 Executive Director  
 DIN No.00254045

Place: Ludhiana  
 Date : April 27, 2024

**Sandeep Sachdeva**  
 Chief Financial Officer

**Lovlesh Verma**  
 Company Secretary  
 Membership No. A34171



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Profit before tax	9590.43	18949.80
<b>Adjustments for :</b>		
Depreciation and amortisation expense	8588.54	4815.00
Premium on Redemption of Preference shares	0.00	2965.31
Interest on Liability Component of Compound Financial Instruments	61.99	57.74
Amortisation of Processing Charges	29.14	26.32
Unrealised foreign exchange (Gain)/ Loss on Assets and Liabilities	-91.20	-155.89
Interest & Other Financial Charges	5816.16	2220.83
Liabilities no longer payable written back	-160.86	0.00
Sundry Balances Written Back	-1.85	0.00
Allowance for Expected Credit Loss /doubtful recoverables	640.54	142.29
Interest Income	-186.27	-350.77
Gain on Modification of Lease	-5.65	0.00
(Profit)/Loss on sale of Property,plant and equipment (Net)	8.63	-2.30
<b>Operating Cash flows before Changes In Working Capital</b>	<b>24289.60</b>	<b>28668.33</b>
<b>Adjustments for Working Capital Changes :</b>		
(Increase(-))/Decrease (+) in Inventories	-27306.89	14991.32
(Increase (-))/Decrease (+) in Trade Receivables	-11931.69	17913.77
(Increase (-))/Decrease (+) in non-current assets	-154.19	-94.42
(Increase (-))/Decrease (+) in current assets (Other than Trade Receivables)	-4639.68	-1135.74
Increase (+)/(Decrease (-)) in non-current liabilities	293.97	108.86
Increase (+)/(Decrease (-)) in Trade Payables	-1596.50	-2114.45
Increase (+)/(Decrease (-)) in current liabilities (Other than Trade Payables)	-245.39	328.11
<b>Cash Generated from/(used in) Operating Activities</b>	<b>-21290.77</b>	<b>58665.78</b>
Income Taxes Paid	-2288.72	-6696.37
<b>Net Cash flows from/(used in) Operating Activities</b>	<b>-23579.49</b>	<b>51969.41</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Payment for Purchase of Property,Plant and Equipment (including Capital work- in-progress) (after adjustment of advances and creditors for capital expenditure)	-10487.83	-36354.01
Proceeds from Sale of Property,Plant and Equipment	100.49	3.00
Amount deposited in Bank balances not considered as cash and cash equivalents	-1.00	-5600.00
Bank balances not considered as cash and cash equivalents matured during the period	5599.30	2418.74
Interest Received	227.84	346.79
<b>Net Cash flows from/(used in) Investing Activities</b>	<b>-4561.20</b>	<b>-39185.48</b>

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Payment on redemption of Preference Shares	0.00	-3185.20
Payment on account of Buy Back of Equity Shares	-5510.00	0.00
Tax pertaining to buy back of Equity Shares	-1251.47	0.00
Expenses pertaining to buyback of Equity Shares	-19.54	-60.77
Payment of Lease Liabilities	-14.03	-12.62
Proceeds from Non-Current Borrowings	11516.63	25409.05
Repayment of Non-Current Borrowings	-3313.83	-4722.96
Proceeds from Current Borrowings(Net)	31506.86	0.00
Repayment of Current Borrowings (Net)	0.00	-26939.35
Interest on Lease Liabilities Paid	-6.63	-8.04
Interest & Other Financial Charges Paid	-5778.28	-2162.02
<b>Net Cash flows from/(used in)Financing Activities</b>	<b><u>27129.71</u></b>	<b><u>-11681.91</u></b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>-1010.98</b>	<b>1102.02</b>
Cash and Cash Equivalents at the beginning of the year	1155.56	53.54
<b>Cash and Cash Equivalents at the end of the year</b>	<b><u>144.58</u></b>	<b><u>1155.56</u></b>

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 Equivalents

**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

**For and on behalf of the Board of Directors**

**(Sanjiv Mohan)**  
Partner  
M.No.086066

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

**Naresh Jain**  
Executive Director  
DIN No.00254045

Place: Ludhiana  
Date : April 27, 2024

**Sandeep Sachdeva**  
Chief Financial Officer

**Lovlesh Verma**  
Company Secretary  
Membership No. A34171

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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 15<sup>th</sup>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's equity shares are listed at BSE Limited (Bombay Stock Exchange) and NSE (National Stock Exchange).

The financial statements for the year ended 31<sup>st</sup>March,2024 were approved and authorized for issue by the Company's Board of Directors on 27<sup>th</sup>April 2024.

**Note-2 Material 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 of financial statements**

- (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 (INR) and all values are rounded to the nearest ₹ lakhs and two decimals thereof, except otherwise stated.

**Note-2.3 Material 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 and the amount of revenue can be measured reliably and recovery of consideration is probable.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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**

- (i) Interest Income from customers is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- (ii) 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) Other Income**

- (i) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.
- (ii) 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 covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee, based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability/asset is determined using projected unit credit method, through actuarial valuation carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such net interest cost along with the current service cost and, if applicable, the past service cost and settlement gain/loss, is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, comprising actuarial gains/losses and return on plan assets (excluding the amount recognised in net interest on the net defined liability), are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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 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.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditures relating to property, plant and equipment are included in the assets carrying value or recognised as separate assets as appropriate, 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. All other repairs and maintenance costs are charged to the statement of profit and loss when incurred.

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". Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as pre-operative expenses and are included in Capital work-in-progress.

**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.

Fully depreciated assets still in use are retained in financial statements.

**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 less accumulated amortization and accumulated impairment losses, 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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**

Depreciation is the systematic allocation Depreciation of the depreciable amount of an asset over its useful life.

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. Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

Depreciation method and useful lives 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 and useful life 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
Right to use power lines	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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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 have been set off as it relates 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 relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic over the expected useful lives of the related assets by way of reduced depreciation.

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.

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.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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 after 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 remeasurement 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 Liability and Right-of-Use Asset have been separately presented in the Balance Sheet. The interest expense on the lease liability has been separately presented as a component of finance costs in the statement of profit and loss. The payments of principal portion and interest portion of lease liability have been classified under financing activities in the statement of cash flows.

The payments for short-term leases and leases of low-value assets have been recognized in the statement of profit and loss have been classified under operating activities in the statement of cash flows.

**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, lease payments received are recognized on systematic basis over the term of the relevant lease as a part of other income.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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 Fair Value Through Profit & Loss ( FVTPL).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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:

- 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
- 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.

For all other financial assets, expected credit losses are measured at an amount equal to the 12- months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

**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 and other intangible 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. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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.
- (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) Income and Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Income and Expenses not allocable to segments are included under unallocable expenditure.
- (3) Segment results includes margin on inter segment sales.
- (4) 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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 Use of 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**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, underlying asset model, comparable companies multiple method and comparable transaction method which involve various judgements and assumptions.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024****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 Applicability of new and revised Ind AS**

Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**Note-3(a) Property, Plant and Equipment**  
**Carrying value of Property, Plant and Equipment**

Particulars	As at		As at	
	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
Land	2367.85	2263.46	2367.85	2263.46
Building	27026.81	25753.75	27026.81	25753.75
Plant and Machinery	48426.57	47122.46	48426.57	47122.46
Furniture and Fixtures	160.38	148.51	160.38	148.51
Vehicles	411.61	191.29	411.61	191.29
Office Equipment	119.52	131.06	119.52	131.06
<b>Total</b>	<b>78512.74</b>	<b>75610.53</b>	<b>78512.74</b>	<b>75610.53</b>

 The Change in the carrying value of property, Plant and Equipment is as follows:-  
 Year ended March 31, 2024

Particulars	Cost/Deemed Cost				Accumulated Depreciation				Net Carrying Amount		
	Balance as at 1st April, 2023	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2024	Balance as at 1st April, 2023	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Land	2263.46	104.39	0.00	0.00	2367.85	0.00	0.00	0.00	0.00	2367.85	2263.46
Building	30548.28	2274.93	0.00	0.00	32823.21	4794.53	1001.87	0.00	0.00	5796.40	27026.81
Plant and Machinery	78695.76	8777.89	5.69	0.00	87467.96	31573.30	7473.08	4.99	0.00	39041.39	48426.57
Furniture and Fixtures	308.61	33.18	0.00	0.00	341.79	160.10	21.31	0.00	0.00	181.41	160.38
Vehicles	468.34	373.32	165.89	0.00	675.77	277.05	44.58	57.47	0.00	264.16	411.61
Office Equipment	281.08	15.67	0.00	0.00	296.75	150.02	27.21	0.00	0.00	177.23	119.52
<b>Total</b>	<b>112565.53</b>	<b>11579.38</b>	<b>171.58</b>	<b>0.00</b>	<b>123973.33</b>	<b>36955.00</b>	<b>8568.05</b>	<b>62.46</b>	<b>0.00</b>	<b>45460.59</b>	<b>78512.74</b>

Year ended March 31, 2023

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	Balance as at 1st April, 2022	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	2247.94	15.52	0.00	0.00	2263.46	0.00	0.00	0.00	0.00	2263.46	2247.94
Building	23166.96	7381.32	0.00	0.00	30548.28	4004.99	789.54	0.00	0.00	4794.53	19161.97
Plant and Machinery	43859.28	34839.17	2.69	0.00	78695.76	27645.60	3929.70	2.00	0.00	31573.30	47122.46
Furniture and Fixtures	273.50	35.11	0.00	0.00	308.61	140.07	20.03	0.00	0.00	160.10	148.51
Vehicles	447.53	20.81	0.00	0.00	468.34	247.09	29.96	0.00	0.00	277.05	191.29
Office Equipment	252.09	28.99	0.00	0.00	281.08	126.84	23.18	0.00	0.00	150.02	131.06
<b>Total</b>	<b>70247.30</b>	<b>42320.92</b>	<b>2.69</b>	<b>0.00</b>	<b>112565.53</b>	<b>32164.59</b>	<b>4792.41</b>	<b>2.00</b>	<b>0.00</b>	<b>36955.00</b>	<b>38082.71</b>

- Refer note no. 38 for detail of contractual Commitment towards purchase of Property, Plant and Equipment.
- Refer note 47 for information on Property, Plant and Equipment pledged as security by the company.
- 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.
- The title deeds of all the immovable properties are held in the name of the Company.
- The Company has not revalued any of its property, plant and equipment during the year.
- The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**Note-3 (b) Right of Use Assets**
**Carrying Value of Right of Use Assets**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Land and Buildings	53.60	62.81
<b>Total</b>	<b>53.60</b>	<b>62.81</b>

The Change in the carrying value of Right of Use Assets is as follows:-

**Year ended March 31, 2024**

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	Balance as at 1st April, 2023	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2024	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Right of Use Assets										
Land & Buildings	121.51	46.86	41.05	0.30	127.62	15.32	0.00	0.00	74.02	62.81
<b>Total</b>	<b>121.51</b>	<b>46.86</b>	<b>41.05</b>	<b>0.30</b>	<b>127.62</b>	<b>15.32</b>	<b>0.00</b>	<b>0.00</b>	<b>74.02</b>	<b>62.81</b>

**Year ended March 31, 2023**

Particulars	Gross Carrying Amount				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
Right of Use Assets										
Land & Buildings	120.33	1.18	0.00	0.00	121.51	14.02	0.00	0.00	58.70	75.65
<b>Total</b>	<b>120.33</b>	<b>1.18</b>	<b>0.00</b>	<b>0.00</b>	<b>121.51</b>	<b>14.02</b>	<b>0.00</b>	<b>0.00</b>	<b>58.70</b>	<b>75.65</b>

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**Note-3 (c) Other Intangible Assets  
Carrying Value of Other Intangible Assets**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Computer Softwares	0.20	0.31
Right to use Power Line	17.73	22.79
<b>Total</b>	<b>17.93</b>	<b>23.10</b>

The Change in the carrying value of Other Intangible Assets is as follows:-

**Year ended March 31, 2024**

Particulars	Cost/Deemed Cost				Amortisation				Net Carrying Amount	
	Balance as at 1st April, 2023	Additions	Disposals	Other Adjustments	Balance as at 31st March, 2024	Depreciation expense for the year	Eliminated on disposal of Assets	Other Adjustments	Balance as at 31st March, 2024	Balance as at 31st March, 2023
<b>Other Intangible Assets:</b>										
Computer Softwares	154.99	0.00	0.00	0.00	154.99	0.11	0.00	0.00	154.79	0.20
Right to use Power Line	61.00	0.00	0.00	0.00	61.00	5.06	0.00	0.00	43.27	17.73
<b>Total</b>	<b>215.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>215.99</b>	<b>5.17</b>	<b>0.00</b>	<b>0.00</b>	<b>198.06</b>	<b>23.10</b>

**Year ended March 31, 2023**

Particulars	Cost/Deemed Cost				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
<b>Other Intangible Assets:</b>										
Computer Softwares	154.99	0.00	0.00	0.00	154.99	0.11	0.00	0.00	154.68	0.31
Right to use Power Line	35.68	25.32	0.00	0.00	61.00	8.46	0.00	0.00	38.21	22.79
<b>Total</b>	<b>190.67</b>	<b>25.32</b>	<b>0.00</b>	<b>0.00</b>	<b>215.99</b>	<b>8.57</b>	<b>0.00</b>	<b>0.00</b>	<b>192.89</b>	<b>6.35</b>

1. The intangible assets are not internally generated.
2. Computer Softwares purchased and Right to use power lines are amortized @20% on straight line basis as the useful life has been estimated to be not more than five years.
3. The aggregate amortization expense has been included under depreciation and amortization expense in the statement of Profit and Loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
<b>NOTE - 4: Other Financial Assets (Non-Current)</b>		
<b>At Amortised Cost</b>		
a) Fixed Deposits with Banks having maturity period of more than 12 months from reporting date*	129.76	122.16
b) Security Deposits	1822.10	1667.67
<b>Total</b>	<b><u>1951.86</u></b>	<b><u>1789.83</u></b>

\* 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	30.88	615.92
b) Prepaid Expenses	46.79	47.04
<b>Total</b>	<b><u>77.67</u></b>	<b><u>662.96</u></b>

**NOTE - 6: Inventories**

**(At cost or net realisable value, whichever is lower)**

a) Raw Material	56709.80	23967.36
b) Raw Material in transit	263.34	5875.06
c) Work in Progress	2683.41	2342.11
d) Finished Goods	2760.50	3238.61
e) Store and Spares	2087.66	1774.68
<b>Total</b>	<b><u>64504.71</u></b>	<b><u>37197.82</u></b>

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 ₹ 178688.28 Lakhs (Previous Year ₹ 161059.16 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	35588.56	23352.39
Less: Allowance for Expected Credit Loss	-16.51	-27.83
-Significant increase in Credit Risks	47.60	88.88
Less: Allowance for Expected Credit Loss	-13.33	-44.44
-Credit impaired	88.88	0.00
Less: Allowance for Credit Impaired	-88.88	0.00
<b>Total</b>	<b><u>35606.32</u></b>	<b><u>23369.00</u></b>

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
<b>NOTE - 8: Cash and Cash Equivalents</b>		
Balances with banks in current accounts	105.65	22.67
Fixed deposits with banks having original maturity period of less than 3 months	0.00	1120.32
Cash on hand	38.93	12.57
<b>Total</b>	<b><u>144.58</u></b>	<b><u>1155.56</u></b>

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 having maturity period of less than 12 months from reporting date

-As margin money against LC for capital goods and other material	0.00	5606.90
-Against Overdraft Limit From Bank	1.00	0.00
<b>Total</b>	<b><u>1.00</u></b>	<b><u>5606.90</u></b>

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	28.46	70.03
b) Security Deposits	8.00	6.20
c) Other Recoverables	2293.85	0.00
Less: Provision for doubtful recoverables	-594.10	0.00

**At Fair value through Profit and Loss**

Derivative Financial Instruments	73.48	0.00
<b>Total</b>	<b><u>1809.69</u></b>	<b><u>76.23</u></b>

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	270.90	241.30
b) Advance to suppliers*	1606.35	2581.73
c) Recoverable from Government Authorities	5505.45	5212.68
d) Export Incentives Receivable	1759.02	1022.88
Less: Provision for doubtful recoverables in respect of Export Incentives	0.00	-97.65
e) Govt Grants Receivables	2301.96	56.69
f) Other Recoverables	1986.68	2068.70
<b>Total</b>	<b><u>13430.36</u></b>	<b><u>11086.33</u></b>

\* Refer note 43 and 44(C) for information about advances to related parties including advances to firms or private companies respectively in which any director is a partner or a director or a member.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**NOTE-12: Share Capital**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Share Capital</b>				
Equity Shares of ₹ 10/- each	15000000	1500.00	15000000	1500.00
<b>Total</b>	<b>15000000</b>	<b>1500.00</b>	<b>15000000</b>	<b>1500.00</b>
<b>Issued,Subscribed and fully paid up equity share capital</b>				
Equity Shares of ₹ 10/-each fully paid up	13287200	1328.72	13287200	1328.72
Add : Amount paid up on forfeited Equity Shares	0	16.08	0	16.08
Buy Back of shares (refer note 58)	-580000	-58.00	0	0.00
<b>Total</b>	<b>12707200</b>	<b>1286.80</b>	<b>13287200</b>	<b>1344.80</b>

**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, 2024		As at 31st March, 2023	
	Number of Shares	Amount	Number of Shares	Amount
As at the beginning of the Year	13287200	1344.80	13287200	1344.80
Add/(Less) :Movement during the Year				
Buy Back of shares (refer note 58)	-580000	-58.00	0	0.00
As at the end of the Year	12707200	1286.80	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, 2024		As at 31st March, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sobhagia Logistics Pvt Ltd.	3053230	24.03	3195940	24.05
Angel Finvest (P) Limited	1858572	14.63	1951600	14.69
Sobhagia Sales Private Limited	1618813	12.74	1702260	12.81
Raj Kumar Avasthi*	0	0.00	1286000	9.68
Munish Avasthi*	2202158	17.33	970422	7.30

\*Sh. Raj Kumar Avasthi passed away on 23rd July,2022.Till 31st March,2023 ,the Company did not receive any request for transmission of his shares.Therefore the shares were shown in his name as at 31st March,2023.The said shares have been transmitted in the name of Sh.Munish Avasthi during FY 2023-24 as per nomination registered in the demat account of Late Sh. Raj Kumar Avasthi.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2020
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 ##	580000	-	-	-	-

# During the year ended 31st March, 2022, the Company allotted 99,65,400 equity shares as fully paid up bonus shares in proportion of 3:1 (i.e. three bonus shares for every one equity share held) to the eligible members/beneficial owners as on 24th September, 2021, i.e. record date, by capitalisation of amount of ₹ 996.54 Lakhs which was by way of transfer from Capital Redemption Reserve ₹ 553.80 Lakhs and Securities Premium Reserve ₹ 442.74 Lakhs.

## 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.

- vi) **Details of Shareholdings by the Promoters and Promoter's Group of the Company**

Name	As at 31st March, 2024		As at 31st March, 2023		% change
	No of Shares	% of Total shares	No of Shares	% of Total shares	
Sobhagia Logistics Pvt Ltd.	3053239	24.03	3195940	24.05	-0.02
Angel Finvest Private Limited	1858572	14.63	1951600	14.69	-0.06
Sobhagia Sales Private Limited	1618813	12.74	1702260	12.81	-0.07
Raj Kumar Avasthi*	0	0.00	1286000	9.68	-9.68
Munish Avasthi*	2202158	17.33	970422	7.30	10.03
Parveen Avasthi	621576	4.89	650000	4.89	0.00
Aradhna Knitwears Private Limited	72572	0.57	72572	0.55	0.02
Suraj Dada	8800	0.07	8800	0.07	0.00
Anjali Avasthi	8077	0.06	8454	0.06	0.00
Anjali Dada	5638	0.04	6000	0.05	-0.01
<b>Total</b>	<b>9449445</b>	<b>74.36</b>	<b>9852048</b>	<b>74.15</b>	<b>0.21</b>

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
<b>Total</b>	<b>9852048</b>	<b>74.15</b>	<b>9852048</b>	<b>74.15</b>	<b>0.00</b>

\*Sh. Raj Kumar Avasthi passed away on 23rd July, 2022. Till 31st March, 2023, the Company did not receive any request for transmission of his shares. Therefore the shares were shown in his name as at 31st March, 2023. The said shares have been transmitted in the name of Sh. Munish Avasthi during FY 2023-24 as per nomination registered in the demat account of Late Sh. Raj Kumar Avasthi.

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 (NSE) under Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**NOTE 13: Other Equity**

Particulars	Equity Component of Compound Financial Instruments (Inclusive of Securities Premium)*	Reserve and Surplus						Total
		Capital Redemption Reserve	Securities Premium	Retained Earnings	General Reserve	Share Capital Forfeiture Reserve Account	other comprehensive income (remeasurement of defined benefit plans)	
<b>Balance as at 1st April, 2022</b>	7733.04	0.00	259.97	67175.26	3.00	0.00	230.53	75401.80
Profit for the year	0.00	0.00	0.00	13198.20	0.00	0.00	0.00	13198.20
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	0.00	72.00	72.00
Transferred to retained earnings	0.00	0.00	0.00	302.53	0.00	0.00	-302.53	0.00
Transferred 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	0.00
Expenses pertaining to buyback of Equity Shares (net of tax benefits of ₹ 15.30 Lakhs) (refer note 58)	0.00	0.00	0.00	-45.48	0.00	0.00	0.00	-45.48
<b>Balance as at 31st March 2023</b>	<b>7733.04</b>	<b>318.52</b>	<b>259.97</b>	<b>80311.99</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>	<b>88626.52</b>
<b>Balance as at 1st April, 2023</b>	7733.04	318.52	259.97	80311.99	3.00	0.00	0.00	88626.52
Profit for the year	0.00	0.00	0.00	7034.56	0.00	0.00	0.00	7034.56
Other Comprehensive Income for the year	0.00	0.00	0.00	12.74	0.00	0.00	0.00	12.74
Premium on Buy Back of Equity Shares (refer note 58)	0.00	0.00	-259.97	-5192.03	0.00	0.00	0.00	-5452.00
Expenses pertaining to buyback of Equity Shares (net of tax benefits of ₹ 4.92 Lakhs) (refer note 58)	0.00	0.00	0.00	-1266.08	0.00	0.00	0.00	-1266.08
<b>Balance as at 31st March, 2024</b>	<b>7733.04</b>	<b>318.52</b>	<b>0.00</b>	<b>80901.18</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>	<b>88955.74</b>

\* 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, 2024 (₹ 1613.28 Lakhs till 31st March, 2023)

**(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 remeasurement of net defined benefit obligation (net of taxes)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**(ii) Details of Preference Share capital**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised Share capital</b>				
5% Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10/- each	<b>20000000</b>	<b>2000.00</b>	<b>20000000</b>	<b>2000.00</b>
<b>Issued, subscribed and fully paid-up Preference Share capital</b>				
5% Redeemable Non-Cumulative Non-Convertible Preference Shares of ₹ 10/- each fully paid up	<b>6832000</b>	<b>683.20</b>	<b>6832000</b>	<b>683.20</b>

**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, 2024	As at 31 March, 2023
<b>As at the beginning of the year(A)</b>		
Face value of Preference Shares Issued	683.20	1001.72
Add: Securities Premium	6148.80	6945.10
<b>Total</b>	<b>6832.00</b>	<b>7946.82</b>
<b>Changes during the year (B)</b>		
Face value of shares redeemed during year	0.00	318.52
Securities Premium of shares redeemed during year	0.00	796.30
<b>Total</b>	<b>0.00</b>	<b>1114.82</b>
<b>As at the end of the year (C=A-B)</b>	<b>6832.00</b>	<b>6832.00</b>
Liability component shown under borrowings at the inception in respect of shares outstanding as at the end of the year (D)	712.24	712.24
<b>Equity component in respect of shares as at the end of the year (E=C-D)</b>	<b>6119.76</b>	<b>6119.76</b>
Equity Component in respect of preference shares redeemed till date (F)	1613.28	1613.28
<b>Equity component shown under other equity (E+F)</b>	<b>7733.04</b>	<b>7733.04</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

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, 2024	As at 31st March, 2023
31.03.2032	2892000	2892000
04.10.2038	1500000	1500000
22.01.2041	1250000	1250000
07.02.2041	1190000	1190000
<b>Total</b>	<b>6832000</b>	<b>6832000</b>

Details of shares held by promoter and shareholders holding more than 5% shares:

Name of holders	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sobhagia Sales Private Limited	1733000	25.37%	1733000	25.37%
Raj Kumar Avasthi*	0	0.00%	2770000	40.54%
Munish Avasthi	1225000	17.93%	1225000	17.93%
Angel Finvest (P) Limited	604000	8.84%	604000	8.84%
Anjali Avasthi	450000	6.59%	450000	6.59%
Parveen Avasthi*	2820000	41.27%	50000	0.73%

\* Shri Raj Kumar Avasthi passed away on 23rd July,2022.Till 31st March,2023 ,the Company did not receive any request for transmission of his shares.Therefore the shares were shown in his name as at 31st March,2023.The said shares has been transmitted in the name of Smt. Parveen Avasthi during FY 2023-24 as per will of Sh. Raj Kumar Avasthi at the request of Smt.Parveen Avasthi.

**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, 2024		As at 31st March, 2023	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the reporting period	6832000	683.20	10017200	1001.72
Add: Issued during the year	0	0.00	0	0.00
Less:Redeemed during the year	0	0.00	3185200	318.52
<b>At the end of the reporting period</b>	<b>6832000</b>	<b>683.20</b>	<b>6832000</b>	<b>683.20</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>NOTE 14: Borrowings (Non-Current)</b>		
<b>At Amortised Cost</b>		
<b>i) From Banks (Secured)</b>		
<b>i) Term Loans / Vehicle Loan:</b>		
Rupee Loans	7447.56	29513.70
Foreign Currency Loans	36685.82	6219.13
<b>Total (A)</b>	<b><u>44133.38</u></b>	<b><u>35732.83</u></b>
Less:-		
Unamortised Processing Charges	64.09	93.23
Interest accrued and not due	80.63	116.00
Current Maturities of Long Term Debt	5478.32	2128.25
<b>Total (B)</b>	<b><u>5623.04</u></b>	<b><u>2337.48</u></b>
<b>Net Non-Current Borrowings from banks (A-B)</b>	<b>38510.34</b>	<b>33395.35</b>
<b>ii) From Others (Unsecured)</b>		
Liability Component of Compound Financial Instruments *	933.20	871.21
<b>Total</b>	<b><u>39443.54</u></b>	<b><u>34266.56</u></b>

\*Liability component of 5% Non- Cumulative Redeemable Preference Shares includes unwinding of interest of ₹ 250.00 Lakhs upto 31st March 2024 (₹ 182.19 Lakhs upto 31st March 2023) using effective interest method to the liability component.

Refer Note 48 for Classification of Financial liabilities.

Refer note 50 for information about market risk and liquidity risk in respect of financial liabilities.

**Notes:**
**i) Nature of security against loans**
**A. Term Loan**
**Primary Security:-**

First pari passu charge on hypothecation of entire Property, Plant and Equipment of the Company (both present and future).

**Collateral Security:-**

a) Second pari passu charge on hypothecation of entire Current assets of the company (both present and future). Further loans are also secured by First pari passu charge on industrial plot situated at Village Barmalipur, Ludhiana owned by promoters and First pari passu charge on Building owned by the Company on same land.

b) All term loans (other than vehicle loans) are further guaranteed by Sh. Munish Avasthi (Managing Director).

**B. Vehicle Loan**

The vehicle loans are secured against hypothecation of respective vehicles.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**ii) Terms of repayment of term loans**

As at 31st March 2024

Name of Bank	Currency	As at 31.03.2024	No. of Installments o/s as on 31.03.2024	Rate of Interest (%age)	Payable within 12 Months
<b><u>Term Loans (Other than vehicle loans)</u></b>			<b>(Quarterly Payable)</b>		
State Bank of India- 100 crores	INR	13.67	14	9.30	0.00
	FCL	6199.73		8.19 to 8.62	1170.00
Indian Bank FCNR- 62 Cr	FCL	5256.83	27	7.60 to 8.60	450.00
Indian Bank FCNR- 110 Cr	FCL	10117.42	29	7.30 to 8.60	900.00
Central Bank of India- 20 cr	INR	920.00	12	7.95 to 8.65	0.00
Union Bank of India-55 cr	INR	1031.45	29	7.35 to 8.60	90.00
Union Bank of India-55 cr	FCL	4067.09			360.00
Union Bank of India-50 cr	FCL	3020.10	13	7.45 to 8.65	690.00
Union Bank of India-63 cr	FCL	4077.17	27	7.79 to 8.40	450.00
Punjab National Bank- 40 cr	FCL	3873.68	20	7.80 to 8.65	640.00
Export Import Bank of India- 55 cr	INR	5156.25	30	7.10 to 8.65	687.50
<b><u>Term Loans (Vehicles Loans)</u></b>			<b>(Monthly Payable)</b>		
Axis BANK Limited- 34.83 Lakhs	INR	1.27	2	9.41	1.27
Axis BANK Limited- 24.82 Lakhs	INR	-0.60	0	8.01	0.00
Union Bank of India-20.81 Lakhs	INR	18.07	68	8.40	2.41
Punjab National Bank -68.87 Lakhs	INR	63.35	77	8.40	9.04
Indian Bank -250 Lakhs	INR	237.27	78	8.40	28.10
<b>Total *</b>		<b>44052.75</b>			<b>5478.32</b>

\*Total above outstanding is exclusive interest accrued and not due amounting to ₹ 80.63 Lakhs.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

As at 31st March 2023

Name of Bank	Currency	As at 31.03.2023	No. of Instalments o/s as on 31.03.2023	Rate of Interest (%age)	Payable within 12 Months
<b>Term Loans (Other than vehicle loans)</b>			<b>(Quarterly Payable)</b>		
Punjab National Bank- 40 crores	INR	0.49	20	8.40	0.00
State Bank of India- 100 crores	INR	13.67	14	7.95 to 9.30	0.00
	FCL	6185.32		7.38 to 8.55	0.00
Indian Bank- 62 crores	INR	5822.45	31	7.60	450.00
Indian Bank- 110 crores	INR	5983.65	32	7.30	600.00
Central Bank of India- 20 crores	INR	1200.00	16	7.95	0.00
Union Bank of India- 63 crores	INR	4650.37	31	8.40	450.00
Union Bank of India- 55 crores	INR	3560.23	32	7.35	300.00
Union Bank of India- 50 crores	INR	3000.00	13	7.45	0.00
Export Import Bank of India- 55 crores	INR	5083.39	32	7.10	300.00
<b>Term Loans (Vehicles Loans)</b>			<b>(Monthly Payable)</b>		
Axis BANK Limited- 34.83 Lakhs	INR	9.49	14	9.41	8.22
Axis BANK Limited- 24.82 Lakhs	INR	11.17	21	8.01	6.57
Union Bank of India- 79.03 Lakhs	INR	76.33	59	7.40	11.26
Union Bank of India-20.81 Lakhs	INR	20.27	80	8.40	2.20
<b>Total *</b>		<b>35616.83</b>			<b>2128.25</b>

\*Total above outstanding is exclusive of interest accrued and not due amounting to ₹ 116.00 Lakhs.

iii) The Company has not defaulted in repayment of loans and interest .

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>NOTE - 15 Lease Liabilities (Non-Current)</b>		
<b>At Amortised Cost</b>		
Lease Liabilities (also refer note 42)	45.95	58.17
<b>Total</b>	<b>45.95</b>	<b>58.17</b>

Refer Note 48 for Classification of Financial liabilities.

Refer note 50 for information about market risk and liquidity risk in respect of financial liabilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>NOTE - 16 Provisions (Non-Current)</b>		
<b>Provision of employee benefits:</b>		
a) Gratuity	1143.52	910.03
b) Compensated absences	375.48	315.00
<b>Total</b>	<b><u>1519.00</u></b>	<b><u>1225.03</u></b>
Also refer note 41		
<b>NOTE - 17: Deferred Tax Liabilities (Net)</b>		
Deferred Tax Liabilities (A)	3165.00	2505.00
Deferred Tax Assets (B)	-568.00	-360.00
<b>Deferred Tax Liabilities (Net) (C=A-B)</b>	<b><u>2597.00</u></b>	<b><u>2145.00</u></b>
Also refer Note 35 for detail and movement in deferred tax liabilities and assets.		
<b>NOTE - 18: Borrowings (Current)</b>		
I. Working Capital Loans repayable on demand		
From Banks		
<b>Secured</b>		
(a) Cash Credit (Rupee Loans)	2129.44	1804.47
(b) Export Packing Credit Loans (Foreign Currency Loans)	36891.81	6484.96
(c) Buyer's Credit (Foreign Currency Loans)	0.00	2662.54
<b>Unsecured</b>		
Discounted Trade Receivables (Foreign Currency/Rupee Loans)#	3538.79	0.00
II. Current Maturities of Long term Debt		
-From banks (Secured)	5478.32	2128.25
<b>Total</b>	<b><u>48038.36</u></b>	<b><u>13080.22</u></b>

# 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 from bank as unsecured borrowings.

Refer Note 48 for Classification of Financial liabilities.

Refer note 50 for information about market risk and liquidity risk in respect of financial liabilities.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Terms of repayment	As at 31st March, 2024		As at 31st March, 2023	
	Amount	Rate of Interest.	Amount	Rate of Interest.
	(in Lakhs)	(%age)	(in Lakhs)	(%age)
<b>Cash Credit (Rupee Loans)</b>				
State Bank of India	1144.56	9.15 to 9.30	1279.32	7.95 to 9.15
Punjab National Bank	925.51	9.00 to 9.40	349.89	7.35 to 9.05
Central Bank of India	0.00	0.00	-6.96	8.80 to 8.90
Union Bank of India	59.37	8.20 to 8.70	182.22	7.35 to 8.40
<b>Total</b>	<b>2129.44</b>		<b>1804.47</b>	
<b>Export Packing Credit Loans (Foreign Currency Loans)</b>				
State Bank of India	22355.05	5.12 to 6.39	613.71	1.75 to 5.85
Punjab National Bank	7856.78	5.12 to 6.39	4720.80	1.75 to 5.85
Union Bank of India	4689.40	5.12 to 6.39	1150.45	1.75 to 6.00
Yes Bank of India	1990.58	5.18 to 6.39	0.00	<b>0.00</b>
<b>Total</b>	<b>36891.81</b>		<b>6484.96</b>	
<b>Buyer's Credit (Foreign Currency Loans)</b>				
Indian Bank (Foreign Offices)	0.00	0.00	2662.54	3.07
<b>Total</b>	<b>0.00</b>		<b>2662.54</b>	

In case of Buyer's Credit Foreign Currency Loans (FCL), the above rate of interest does not include foreign exchange fluctuation treated as interest cost as per Ind AS 23.

**i) Nature of security against Working Capital Loans**

**Primary Security:-**

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:-**

Second pari passu charge on hypothecation of entire fixed assets of the company (both present and future). First pari passu charge on industrial plot situated at Village Barmalipur, Ludhiana owned by promoters and First pari passu charge on Building owned by the Company on same land.

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>NOTE - 19: Lease Liabilities (Current)</b>		
<b>At Amortised Cost</b>		
Lease Liabilities (also refer note 42)	12.48	13.82
<b>Total</b>	<b>12.48</b>	<b>13.82</b>

Refer Note 48 for Classification of Financial liabilities.

Refer note 50 for information about market risk and liquidity risk in respect of financial liabilities.

**NOTE - 20: Trade Payables**

(A) Total outstanding dues of Micro Enterprises and Small Enterprises	161.05	67.51
(B) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises*	8571.57	10261.61
<b>Total</b>	<b>8732.62</b>	<b>10329.12</b>

\* Includes acceptance payables of ₹ 5397.94 Lakhs (previous year ₹ 1173.73 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 market risk and liquidity risk in respect of financial liabilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>NOTE - 21: Other Financial Liabilities (Current)</b>		
<b>Financial Liabilities at amortized cost</b>		
a) Interest accrued and not due on borrowings	171.86	140.61
b) Payables for purchase of Property, Plant and Equipments		
(A) Total outstanding dues of Micro Enterprises and Small Enterprises	0.00	6.81
(B) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	0.00	148.76
c) Other Payables		
- Security Deposit/Retention Money	146.87	284.78
- Dues to Employees	2192.67	1976.87
- Dues to Others	1784.43	1736.79
<b>Financial Liabilities at Fair Value through Profit and Loss</b>		
Derivative Financial Instruments	0.00	50.23
<b>Total</b>	<b><u>4295.83</u></b>	<b><u>4344.85</u></b>

\* Total Outstanding includes acceptance payable amounting to ₹ Nil (Previous Year Nil) against which a fixed deposit of ₹ Nil (Previous Year Nil) has been given to the bank as margin money.

Refer Note 48 for Classification of Financial liabilities.

Refer note 50 for information about market risk and liquidity risk in respect of financial liabilities.

**NOTE - 22: Other Current Liabilities**

a) Advances From Customers	242.04	787.14
b) Statutory Remittances	283.27	273.75
<b>Total</b>	<b><u>525.31</u></b>	<b><u>1060.89</u></b>

**NOTE - 23: Provisions (Current)**
**Provision of Employee Benefits:**

a) Gratuity	74.68	47.36
b) Compensated absences	22.06	14.23
<b>Total</b>	<b><u>96.74</u></b>	<b><u>61.59</u></b>

Also refer Note 41

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>NOTE - 24: Income Tax (Liabilities) / Assets</b>		
<u>I. Income tax liabilities</u>		
Provision for Current Year	2153.69	4871.88
Less: Taxes Paid	1385.80	3948.97
<b>Net Income Tax Liabilities</b>	<b><u>767.89</u></b>	<b><u>922.91</u></b>
<u>II. Income tax assets</u>		
Refund Receivable	206.80	176.34
<b>Net Income Tax Assets</b>	<b><u>206.80</u></b>	<b><u>176.34</u></b>
<b>Income Tax Liabilities</b>	<b>767.89</b>	<b>922.91</b>
<b>Income Tax Assets</b>	<b>206.80</b>	<b>176.34</b>

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023
<b>NOTE - 25: Revenue from operations</b>		
a) Sale of Products	231650.47	215621.85
b) Sale of Services	49.30	115.65
c) Other Operating Revenue	6014.42	4764.80
<b>Total</b>	<b><u>237714.19</u></b>	<b><u>220502.30</u></b>
a) Detail of sale of products		
i) Yarn		
-Export	108572.23	96000.40
-Domestic	94137.18	96150.84
Total	<b><u>202709.41</u></b>	<b><u>192151.24</u></b>
ii) Waste		
-Export	3377.58	4231.68
-Domestic	23451.89	17802.75
Total	<b><u>26829.47</u></b>	<b><u>22034.43</u></b>
iii) Traded Goods/Fibre-Cotton & Synthetic	2111.59	1436.18
<b>Total Sale of Products (i+ii+iii)</b>	<b><u>231650.47</u></b>	<b><u>215621.85</u></b>
b) Detail of Sale of Services		
Job Work Charges	49.30	115.65
	<b><u>49.30</u></b>	<b><u>115.65</u></b>
c) Details of Other Operating Revenue		
Export Incentives	5736.23	4507.46
Others	278.19	257.34
	<b><u>6014.42</u></b>	<b><u>4764.80</u></b>

Refer note 45 for disclosures as per Ind AS 115 "Revenue from Contracts with Customers"

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023
<b>NOTE - 26: Other Income</b>		
a) Profit on sale of Property, Plant and Equipment (Net)	0.00	2.30
b) Rent Received	4.55	4.51
c) Interest Income on financial assets carried at amortized cost	186.27	350.77
d) Gain on Foreign Exchange Fluctuation (net)	1312.48	703.25
e) Govt. Grant	1811.89	0.00
f) Liabilities no longer payable written back	160.86	0.00
g) Sundry Balances Written Back	1.85	0.00
h) Others	92.65	91.59
<b>Total</b>	<b><u>3570.55</u></b>	<b><u>1152.42</u></b>

**NOTE -27: Cost of materials consumed**

**Raw Material Consumed\***

Opening Stock	29842.42	46586.05
Add : Purchases	<b><u>197386.97</u></b>	<b><u>139041.91</u></b>
	227229.39	185627.96
Less : Closing Stock	56973.13	29842.42
<b>Total</b>	<b><u>170256.26</u></b>	<b><u>155785.54</u></b>

\*Includes cost of raw material sold

**Detail of Raw Material consumed**

Raw Cotton	150604.10	136280.94
Manmade Fibre	19652.16	19504.60
<b>Total</b>	<b><u>170256.26</u></b>	<b><u>155785.54</u></b>

**NOTE - 28: Purchase of stock- in- trade**

Yarn	79.22	88.14
<b>Total</b>	<b><u>79.22</u></b>	<b><u>88.14</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023
<b>NOTE - 29: Change in inventories of Work-In-Progress and Finished Goods</b>		
<b>Inventories at the beginning of the period</b>		
Work-In-Progress	2342.11	1869.01
Finished Goods	3238.61	2211.85
	<b><u>5580.72</u></b>	<b><u>4080.86</u></b>
<b>Inventories at the end of the period</b>		
Work-In-Progress	2683.42	2342.11
Finished Goods	2760.50	3238.61
	<b><u>5443.92</u></b>	<b><u>5580.72</u></b>
<b>(Increase)/Decrease In Stock</b>	<b><u>136.80</u></b>	<b><u>-1499.86</u></b>
<b>NOTE - 30: Employee benefits Expense</b>		
Salaries and Wages	12541.87	10518.97
Contribution to Provident and Other Funds	1238.28	1018.68
Staff Welfare expense	161.30	108.37
<b>Total</b>	<b><u>13941.45</u></b>	<b><u>11646.02</u></b>
<b>NOTE - 31: Finance Cost</b>		
a) Interest on Bank Borrowings	4730.58	1472.57
b) Foreign Exchange Fluctuation on Foreign Currency Loans (To the extent regarded as an adjustment to Interest Cost)	846.99	260.72
c) Interest on lease liabilities	6.63	8.03
d) Interest on Income Tax	133.04	389.57
e) Other Borrowing Costs	190.05	174.00
<b>Total</b>	<b><u>5907.29</u></b>	<b><u>2304.89</u></b>
<b>NOTE - 32: Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Power and Fuel	15525.18	11916.85
Freight, Cartage, Loading/Unloading Expenses	374.53	252.70
Packing Material	2425.39	1934.87
Dyes and Chemicals	881.20	944.36
Stores and Spares	1312.97	1075.88
Machinery Repair & Maintenance	2867.69	2011.99
<b>Total</b>	<b><u>23386.96</u></b>	<b><u>18136.65</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023
<b>Administrative expenses</b>		
Building Repair	145.93	83.16
Rent	6.66	0.60
Fees and Taxes	43.71	100.26
Professional Charges	101.73	91.24
Printing and Stationery	63.46	37.39
Postage and Telegram	15.54	13.15
Telephone Expenses	6.83	6.81
Insurance	341.09	308.01
Vehicle Maintenance	112.19	77.48
Charity and Donation	0.00	0.82
Corporate Social Responsibility Expense (also refer note 54)	572.53	455.79
Foreign Exchange Fluctuation Loss	0.00	0.00
Travelling and Conveyance	191.25	136.89
Entertainment Expenses	1.91	2.06
Director's Sitting Fee	1.00	1.40
Payment to Auditors*	15.97	12.49
Festival Expenses	52.38	39.17
Worker's Conveyance	550.99	470.49
Advertisement Expenses	11.25	13.36
Bad Debts Written Off	0.00	0.00
Allowance for Expected Credit Loss	640.54	44.63
Provision for doubtful recoverables	0.00	97.65
Prior Period Expenses	0.00	0.07
Loss on Sale of Property, Plant & Equipment (Net)	8.63	0.00
Bank Charges	350.82	318.63
Miscellaneous Expenses**	397.53	205.06
<b>Total</b>	<b>3631.94</b>	<b>2516.61</b>
<b>Selling and Distribution expenses</b>		
Freight, Clearing and Forwarding charges and Loading/Unloading Expenses on Sales	3775.18	4188.21
Rebate and discount	74.28	94.91
Commission	1916.39	1663.50
<b>Total</b>	<b>5765.85</b>	<b>5946.62</b>
<b>Total</b>	<b>32784.75</b>	<b>26599.88</b>
<b>* Payment to Auditors</b>		
-Audit Fee	10.00	9.00
-Tax Audit Fee	3.00	2.00
-Others	1.60	0.00
-Reimbursement of Expenses	1.37	1.49
	<b>15.97</b>	<b>12.49</b>

\*\* Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023
<b>NOTE - 33: Exceptional Items</b>		
Premium Paid on Redemption of Preference Shares*	0.00	2965.31
<b>Total</b>	<b>0.00</b>	<b>2965.31</b>

\*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, 2024	For the year ended 31st March, 2023
Current tax expense	2158.61	4887.18
Tax adjustment related to earlier years	-50.45	7.64
Deferred tax expense	447.71	856.78
<b>Total</b>	<b>2555.87</b>	<b>5751.60</b>

**(b) Reconciliation of tax expense after the application of statutory tax rate on Profit before tax**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax	9590.43	18949.80
<b>Tax at Indian tax rate of 25.168%</b>	<b>2413.72</b>	<b>4769.29</b>
Tax effect of adjustments to reconcile expected income tax expense with reported income tax expense		
-Expenses not deductible for tax purpose	243.87	986.59
-Expenses/deductions allowable for tax purpose	-51.27	-11.92
-Tax adjustment related to earlier years	-50.45	7.64
<b>Income tax expense</b>	<b>2555.87</b>	<b>5751.60</b>

**(c) Tax expense recognized in other comprehensive income**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current tax expense	0.00	0.00
Deferred tax expense on remeasurement of Defined Benefit Plans	4.29	24.22
<b>Total</b>	<b>4.29</b>	<b>24.22</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**(d) Tax expense recognized directly in equity**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax on expenses pertaining to buyback of Equity Shares	-4.92	-15.30
<b>Total</b>	<b>-4.92</b>	<b>-15.30</b>

**NOTE-35 : Movement in Deferred Tax Assets and Liabilities**
**Year ended 31st March, 2024**

Particulars	As at 1st April, 2023	Recognized in profit or loss	Recognized in OCI	As at 31st March, 2024
<b>Deferred tax liability</b>				
Difference between carrying value of Property plant and equipment as per books of account and Income tax	2481.00	667.00	0.00	3148.00
Unamortized processing charges on term Loans	24.00	-7.00	0.00	17.00
<b>Total (A)</b>	<b>2505.00</b>	<b>660.00</b>	<b>0.00</b>	<b>3165.00</b>
<b>Deferred tax Asset</b>				
Provision for post retirement benefits and other employee benefits	323.00	87.29	-4.29	406.00
Allowances for expected credit loss/ Provision for doubtful recoverables	37.00	125.00	0.00	162.00
<b>Total (B)</b>	<b>360.00</b>	<b>212.29</b>	<b>-4.29</b>	<b>568.00</b>
<b>Deferred tax liability (Net)C= (A-B)</b>	<b>2145.00</b>	<b>447.71</b>	<b>4.29</b>	<b>2597.00</b>

**Year ended 31st March, 2023**

Particulars	As at 1st April, 2022	Recognized in profit or loss	Recognized in OCI	As at 31st March, 2023
<b>Deferred tax liability</b>				
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
<b>Total (A)</b>	<b>1566.00</b>	<b>939.00</b>	<b>0.00</b>	<b>2505.00</b>
<b>Deferred tax Asset</b>				
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
<b>Total (B)</b>	<b>302.00</b>	<b>82.22</b>	<b>-24.22</b>	<b>360.00</b>
<b>Deferred tax liability (Net)C= (A-B)</b>	<b>1264.00</b>	<b>856.78</b>	<b>24.22</b>	<b>2145.00</b>

There are no unrecognised deferred tax assets as at 31st March, 2024 and 31st March, 2023 .

Deferred tax assets and liabilities have been set off as they are governed by the same taxation laws.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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 (Net of provision of doubtful receivables) (shown under note 11)	
			Year ended 31st March, 2024	Year ended 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
<b>a</b>	<b>Government grant shown as other operating revenue (refer note 25)</b>					
a.1	Export Incentive in the form of Duty Drawback and Rodtep	Presented under 'Other Operating Revenue' (refer note 25)	5736.23	4507.46	1759.02	925.23
	<b>Total (a)</b>		<b>5736.23</b>	<b>4507.46</b>	<b>1759.02</b>	<b>925.23</b>
<b>b</b>	<b>Government grant shown as other income</b>					
b.1	Government Grant against employment generation subsidy in accordance with Industrial and Business Development Policy of Govt. of Punjab	Presented under 'Other income' (refer note 26)	1811.89	0.00	1811.89	0.00
	<b>Total (b)</b>		<b>1811.89</b>	<b>0.00</b>	<b>1811.89</b>	<b>0.00</b>
<b>c</b>	<b>Government grant deducted from respective expense</b>					
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)	1444.34	1005.08	490.07	56.69
	<b>Total (c)</b>		<b>1444.34</b>	<b>1005.08</b>	<b>490.07</b>	<b>56.69</b>
	<b>Grand total of Government grants recognised &amp; Grants Recoverable (a+b+c)</b>		<b>8992.46</b>	<b>5512.54</b>	<b>4060.98</b>	<b>981.92</b>

The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹ 570.00 lakhs during the financial year ended March 31, 2024 (March 31, 2023 ₹ 1974.81 lakhs) on import of Property, Plant and Equipment and Spares parts which pertains to the duty saved for which input tax credit is not allowed under Goods and Service tax Act, 2017.

**NOTE-37: Earnings Per Share**

Sr.No.	Particulars	As at 31st March, 2024	As at 31st March, 2023
a)	Profit after tax for the year	7034.56	13198.20
b)	Less:-Proposed Preference Dividend	34.16	0.00
c)	Net Profit attributable to Equity Shareholders (₹ In Lakhs)	7000.40	13198.20
d)	Weighted average number of equity shares (in No's)	12734140	13287200
e)	Basic Earnings per share (in ₹)	54.97	99.33
f)	Diluted Earnings per share (in ₹)	54.97	99.33
g)	Nominal Value per share (in ₹)	10.00	10.00

\*There are no dilutive potential equity shares.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**NOTE-38: Contingent Liabilities and Commitments**
**(a) Contingent Liabilities**

Sr. No.	Particulars	As at 31st March, 2024	As at 31st March, 2023
a)	Disputed Income Tax Liabilities of cases pending with appellate authorities.*	752.85	989.63
b)	Disputed Excise Liabilities of cases pending with appellate authorities	44.87	44.87
c)	Disputed Service Tax Liabilities of cases pending with appellate authorities**	0.44	0.00
d)	Disputed Electricity Liabilities of cases pending with appellate authorities.	415.00	415.00

\*Amount deposited/adjusted against outstanding demand is ₹ 110.90 Lakhs (Previous year ₹ 105.13 Lakhs) shown under refund receivable in note no. 24 of Income Tax (Liabilities)/Assets.

\*\*Amount deposited/adjusted against outstanding demand is ₹ 0.034 Lakhs (Previous year Nil) shown under Recoverable from Govt authorities in note no. 11 of Other Current Assets.

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, 2024	As at 31st March, 2023
a)	Commitments on account of Capital account remaining to be executed (Net of Advances) (out of which Letter of Credits Nil PY ₹ 1172.31 Lakhs) net of margin. (Figures are exclusive of GST)	565.46	6786.40
b)	Bonds against un-fulfilled export obligations under Export Promotion Capital Goods/Duty Exemption scheme	6119.98	5507.91

**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, 2024	As at 31st March, 2023
(a) Amount remaining unpaid to suppliers as at the end of year.		
- Principal amount (including Payables for purchase of Property, Plant and Equipments)	161.05	74.32
- Interest due thereon	-	0.28
(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	2.32	1.23
(d) Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	2.32	1.23
- Interest remaining unpaid as at the end of the year	2.32	1.23
(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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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, 2024	Year ended 31st March, 2023
Provident Fund administered through Regional Provident Fund Commissioner	827.45	681.05

**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.

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 of 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. 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, 2024	Year ended 31st March, 2023
Present value obligation as at beginning of the year	1141.74	1037.55
Interest cost	85.82	75.69
Current Service cost	291.35	236.55
Benefits Paid	-90.43	-111.29
Actuarial (gain)/ loss on Obligation	-17.06	-96.76
<b>Present value obligation as at end of the year</b>	<b>1411.42</b>	<b>1141.74</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**(b) Movement in Fair Value of Plan Asset**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Fair value of Plan Assets as at beginning of the year	184.35	172.86
Interest Income	13.87	12.61
Contributions	7.00	7.00
Benefits Paid	-6.02	-1.58
Expenses Deducted	-5.95	-6.00
Remeasurement- Return on plan assets excluding amount included in interest income	-0.03	-0.54
<b>Fair value of Plan Assets as at end of the year</b>	<b>193.22</b>	<b>184.35</b>

**(c) Amount recognized in Balance Sheet:**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Present value obligation as at end of the year	1411.42	1141.74
Fair value of Plan Assets as at end of the year	193.22	184.35
Surplus/(Deficit)	-1218.20	-957.39
Effect of asset ceiling if any	0.00	0.00
<b>Net Asset/(Liability) recognized in balance sheet</b>	<b>-1218.20</b>	<b>-957.39</b>

The above liability includes short term liability of ₹ 74.68 Lakhs (previous year ₹ 47.36 Lakhs)

**(d) Amount recognized in Statement of Profit and Loss:**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Current service cost	291.35	236.55
Net Interest cost on net defined benefit liability / (asset)	71.95	63.08
<b>Total Expense recognized in statement of Profit and Loss</b>	<b>363.30</b>	<b>299.63</b>

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**(e) Amount recognized in Other Comprehensive Income:**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Actuarial (gain)/loss for the year on Obligation	-17.06	-96.76
Return on plan assets (excluding amount included in net Interest cost )	0.03	0.54
Expense/(Income) recognized in Other Comprehensive Income	-17.03	-96.22
<b>Bifurcation of Actuarial Gain/Loss on obligation</b>		
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))	0.00	0.00
3. Actuarial changes arising from changes in experience adjustments (Gain)/ (Loss)	-17.06	-96.76

**(f) Investment details of Fund:**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Funds Managed by Insurer (Investment fund with Insurance co)	193.21	184.35
<b>Total</b>	<b>193.21</b>	<b>184.35</b>

**(g) The principal assumption used for the purpose of actuarial valuation were as follows**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Discount Rate (per annum)	7.20%	7.50%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Expected Average remaining working lives of employees (years)	25.60	26.46
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:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Increase/(Decrease) in liability</b>		
<b>Discount Rate</b>		
1.00% Increase	-169.46	-137.95
1.00% decrease	207.50	168.79
<b>Salary Growth Rate</b>		
1.00% Increase	201.94	165.14
1.00% decrease	-168.84	-138.03

(i) The expected cash flows in future years are as under:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Within 1 year	74.68	47.36
2-5 years	300.07	252.74
6-10 years	490.40	424.07
Beyond 10 years	3964.65	3449.76
<b>Total expected payments</b>	<b>4829.80</b>	<b>4173.93</b>

(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 ₹ 1606.07 Lakhs (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 ₹ 106.52 Lakhs (previous year ₹ 48.12 Lakhs)

**Liability towards leave encashment as at the end of the year is as under:**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Current liability	22.06	14.23
Non-current liability	375.48	315.00

**NOTE – 42: Company as lessee**

(a) Interest expense of ₹ 6.63 Lakhs (Previous year ₹ 8.03 Lakhs) on the Lease Liabilities has been included under the head finance costs in the Statement of Profit and Loss.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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, 2022	120.33	44.68	75.65
Addition during the year	1.18	0.00	1.18
Depreciation during the year	0.00	14.02	-14.02
<b>As at 31st March, 2023</b>	<b>121.51</b>	<b>58.70</b>	<b>62.81</b>
As at 1st April, 2023	121.51	58.70	62.81
Addition during the year	46.86	0.00	46.86
Disposal During the year	-40.75	0.00	-40.75
Depreciation during the year	0.00	15.32	-15.32
<b>As at 31st March, 2024</b>	<b>127.62</b>	<b>74.02</b>	<b>53.60</b>

(c) The depreciation expense on ROU assets of ₹ 15.32 Lakhs(Previous Year ₹ 14.02 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, 2024	As at 31st March, 2023
Current lease liabilities	12.48	13.82
Non-current lease liabilities	45.95	58.17
<b>Total</b>	<b>58.43</b>	<b>71.99</b>

(e) The following is the movement in lease liabilities during the year ended:-

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	71.99	83.44
Additions during the year	46.86	1.18
Deletion During the year	-46.39	0.00
Finance cost accrued during the year	6.63	8.03
Payment of lease liabilities	-20.66	-20.66
Balance at the end of the year	<b>58.43</b>	<b>71.99</b>

(f) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Not later than one year	28.52	20.66
(ii) Later than one year and not later than five years	95.08	63.90
(iii) Later than five years	0.76	10.32
<b>Total</b>	<b>124.36</b>	<b>94.88</b>
<b>Less Finance Cost</b>	<b>65.93</b>	<b>22.89</b>
<b>Present Value of Lease Liabilities</b>	<b>58.43</b>	<b>71.99</b>

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

- (g) The payment in respect of lease liabilities amounting ₹ 14.03 Lakhs ( Previous year ₹ 12.62 Lakh )and in respect of interest liabilities amounting ₹ 6.63 Lakh (Previous year ₹ 8.03 Lakh have been showned under cash flows from financing activity in statement of cash flows.
- (h) Rental expense recognized for short-term leases was ₹ 6.66 Lakhs for the year ended 31st March , 2024 (31st March 23 ₹ 0.60 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 ₹4.55 Lakhs (Previous year is ₹4.51 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, 2024	As at 31st March, 2023
Not Later than one year	4.67	4.58
Later than one year but not later than five years	16.28	5.87
Later than five years	13.79	0.18

**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
- \* Dhruv Avasthi

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**c) Enterprises in which Key Management Personnel are able to exercise significant influence**

- \* Sobhagia Sales Pvt Ltd.
- \* Sobhagia Logistics Pvt Ltd. #
- \* Angel Finvest Private Limited #
- \* Sobhagia Clothing Co.
- \* Marvel Dyers & Processors Pvt Ltd.
- \* Raj Kumar Avasthi HUF
- \* Go Green projebcts Pvt. Ltd. #
- \* Dee Emm Ventures Pvt. Ltd. #

**d) 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 in which Key Management Personnel are able to exercise significant influence	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Purchase of Goods and services	-	-	-	-	535.84	479.21
Remuneration Paid (also refer footnote 1 below)	292.87	382.64	-	-	-	-
Director Sitting Fee	1.00	1.40	-	-	-	-
Rent paid	8.60	8.52	7.26	7.34	4.80	4.80
Sale of Goods and Services	-	-	-	-	1076.34	1663.42
<b>Rent Received</b>	-	-	-	-	3.54	3.54
Amount Receivable/ (Payable) at the end of year						
Sobhagia Sales (P) Ltd.-Shown under Trade Receivables					37.31	-197.49
Sobhagia Clothing Co.-Shown under Trade Receivables					11.42	-257.83
Marvel Dyers Pvt. Ltd.-Shown under Trade Payables					-1.00	-4.80
Director remuneration payable-Shown under other Current Financial Liabilities	-42.64	-63.67				
Director sitting fee payable	0.00	0.00				
Rent Payable-Shown under other Current Financial Liabilities	0.00	-7.31				

# 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 ₹ 7.00Lakhs)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**Transactions with Key Managerial Personnel**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Short term Employee Benefits	289.54	380.57
Post-Employment Benefits (Refer footnote 1)	3.33	2.07
Rent Paid	8.60	8.52
Director's Sitting Fee	1.00	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.
2. 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
3. There have been no guarantees provided or received for any related party.
4. For the year ended 31st March, 2024, the Company has not recorded any impairment in respect of any bad or doubtful debts due from related parties (31st March, 2023: Nil).

**NOTE-44**
**(A) Ageing schedule of Trade receivables from due date of payment**
**(i) As on 31st March, 2024**

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	26990.54	8574.18	23.84	0.00	0.00	0.00	35588.56
(II) Undisputed Trade Receivables-Which have significant increase in Credit risk	0.00	0.00	0.00	47.60	0.00	0.00	47.60
(iii) Undisputed Trade Receivables-Credit Impaired	0.00	0.00	0.00	0.00	0.00	88.88	88.88
(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
<b>Total (A)</b>	<b>26990.54</b>	<b>8574.18</b>	<b>23.84</b>	<b>47.60</b>	<b>0.00</b>	<b>88.88</b>	<b>35725.04</b>
Allowance for expected credit loss/credit impared (B)	-7.85	-8.64	-0.02	-13.33	0.00	-88.88	-118.72
<b>Net receivable C= (A-B)</b>	<b>26982.69</b>	<b>8565.54</b>	<b>23.82</b>	<b>34.27</b>	<b>0.00</b>	<b>0.00</b>	<b>35606.32</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**(ii) 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
<b>Total (A)</b>	<b>13718.32</b>	<b>7745.01</b>	<b>961.19</b>	<b>927.87</b>	<b>0.00</b>	<b>88.88</b>	<b>23441.27</b>
Allowance for expected credit loss/credit impaired (B)	-6.86	-19.31	-0.89	-0.77	0.00	-44.44	-72.27
<b>Net receivable C= (A-B)</b>	<b>13711.46</b>	<b>7725.70</b>	<b>960.30</b>	<b>927.10</b>	<b>0.00</b>	<b>44.44</b>	<b>23369.00</b>

**(B) Ageing schedule of Trade Payables from due date of payment**
**(i) As on 31st March, 2024**

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	154.73	6.32	0.00	0.00	0.00	161.05
(ii) Medium Enterprises	22.53	0.00	0.38	0.00	0.00	22.91
(iii) Others	7417.46	1049.71	67.26	10.27	3.96	8548.66
(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
<b>Total</b>	<b>7594.72</b>	<b>1056.03</b>	<b>67.64</b>	<b>10.27</b>	<b>3.96</b>	<b>8732.62</b>

**(ii) 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
<b>Total</b>	<b>1907.84</b>	<b>8404.10</b>	<b>10.49</b>	<b>3.20</b>	<b>3.49</b>	<b>10329.12</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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 ₹ 48.73 Lakhs is (previous year Nil) 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 Nil) 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 ₹ 1.00 Lakhs (previous year ₹ 202.29 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 Nil (previous year ₹ 257.83 Lakhs) 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 / Services**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of Yarn	202709.41	192151.24
Sale of Waste	26829.47	22034.43
Sale of Traded Goods/ Raw material	2111.59	1436.18
Sale of Services / Job Work Charges	49.30	115.65
<b>Total (A)</b>	<b>231699.77</b>	<b>215737.50</b>
Other Operating Revenue (B)	6014.42	4764.80
<b>Revenue from operations as per statement of profit and loss (A+B)</b>	<b>237714.19</b>	<b>220502.30</b>

**(b) Geographical**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from Customers based in India	119749.96	115505.42
Revenue from Customers based outside India	111949.81	100232.08
<b>Total</b>	<b>231699.77</b>	<b>215737.50</b>

**(c) Timing of Revenue Recognition**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from goods transferred to customers at point of time	231699.77	215737.50
Revenue from goods transferred to customers over the period	-	-
<b>Total</b>	<b>231699.77</b>	<b>215737.50</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**(d) Export Benefit are in the nature of government grants covering following benefits**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Duty Draw Back Benefits	2037.08	1749.38
Merchandise Export From India Scheme (MEIS) and Remission of Duties & Taxes on Exported Products (RoDTEP)	3699.15	2758.08
<b>Total</b>	<b>5736.23</b>	<b>4507.46</b>

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 2024 includes revenue against advances from customers amounting to ₹ 787.14 Lakhs (Previous Year ₹ 612.71 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 2024 (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, 2024	Year ended 31st March, 2023
A. Revenue from contract with customer as per the contract price	231699.77	215737.50
B. Adjustments made to contract price on account of :-		
-Discounts / Rebates/Others	0.00	0.00
Revenue from contract with customer (A-B)	231699.77	215737.50

**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, 2024	Year ended 31st March, 2023
<b>Revenue from Sale of Products/Services</b>		
Within India	119749.96	115505.42
Outside India	111949.81	100232.08
<b>Total Revenue</b>	<b>231699.77</b>	<b>215737.50</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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, 2024	Year ended 31st March, 2023
India	119749.96	115505.42
Bangladesh	71963.75	64930.63
China	6688.10	1049.31
Phillipines	4241.97	967.64
Others *	29055.99	33284.50
<b>Total</b>	<b>231699.77</b>	<b>215737.50</b>

\*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 2024 and 31st March 2023.

**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, 2024	As at 31st March, 2023
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade receivables	35606.32	23369.00
Less Bills Discounted	3538.79	0.00
Trade receivables (Excluding Bills Discounted)	32067.53	23369.00
<b>Non-Financial Assets</b>		
Inventories	64504.71	37197.82
<b>Total Current Assets Pledged as Security (A)</b>	<b>96572.24</b>	<b>60566.82</b>
<b>Non Current Assets</b>		
Property Plant and Equipment	78512.74	75610.53
<b>Total Non Current Assets Pledged as Security (B)</b>	<b>78512.74</b>	<b>75610.53</b>
<b>Total Assets Pledged as Security (A+B)</b>	<b>175084.98</b>	<b>136177.35</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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
<b>As at 31st March 2024</b>					
<b>Assets:</b>					
Trade receivables (Refer Note 7)	35606.32	-	-	35606.32	35606.32
Cash and Cash Equivalents (Refer Note 8)	144.58	-	-	144.58	144.58
Other bank balances (Refer Note 9)	1.00	-	-	1.00	1.00
Other financial assets (Refer Note 4 & 10)	3688.07	73.48	-	3761.55	3761.55
<b>Total</b>	<b>39439.97</b>	<b>73.48</b>	<b>-</b>	<b>39513.45</b>	<b>39513.45</b>
<b>Liabilities:</b>					
Borrowings including current maturities (Refer Note 14 & 18)	87481.90	-	-	87481.90	87481.90
Lease liabilities (Refer Note 15 & 19)	58.43	-	-	58.43	58.43
Trade Payables (Refer Note 20)	8732.62	-	-	8732.62	8732.62
Other financial liabilities (Refer Note 21)	4295.83	-	-	4295.83	4295.83
<b>Total</b>	<b>100568.78</b>	<b>-</b>	<b>-</b>	<b>100568.78</b>	<b>100568.78</b>
<b>As at 31st March 2023</b>					
<b>Assets:</b>					
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
<b>Total</b>	<b>31997.52</b>	<b>-</b>	<b>-</b>	<b>31997.52</b>	<b>31997.52</b>
<b>Liabilities:</b>					
Borrowings including current maturities (Refer Note 14 & 18)	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
<b>Total</b>	<b>62042.51</b>	<b>50.23</b>	<b>-</b>	<b>62092.74</b>	<b>62092.74</b>

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

**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).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

(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
<b>As at 31st March 2024</b>				
<b>Other financial Assets (current)</b>				
-Derivative financial instruments	73.48	0.00	73.48	0.00
<b>Other financial liabilities (current)</b>				
-Derivative financial instruments	0.00	0.00	0.00	0.00
<b>As at 31st March 2023</b>				
<b>Other financial assets (current)</b>				
-Derivative financial instruments	0.00	0.00	0.00	0.00
<b>Other financial liabilities (current)</b>				
-Derivative financial instruments	50.23	0.00	50.23	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, 2024	As at 31st March, 2023
<b><u>Borrowings</u></b>		
Long Term Borrowings	39443.54	34266.56
Short Term Borrowings	48038.36	13080.22
Lease Liabilities	58.43	71.99
<b>Total Debt</b>	<b>87540.33</b>	<b>47418.77</b>
Less:		
Cash & Cash Equivalents	144.58	1155.56
<b>Net Debt (A)</b>	<b>87395.75</b>	<b>46263.21</b>
<b>Total Equity (B)</b>	<b>90242.54</b>	<b>89971.32</b>
<b>Gearing Ratio (Net Debt/Total Equity) (A/B)</b>	<b>0.97</b>	<b>0.51</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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, 2024 and 31st March, 2023.

**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, 2024			As at 31st March, 2023		
		Total Exposure	Hedged Through Forwards	Net Exposure	Total Exposure	Hedged Through Forwards	Net Exposure
<b>a) Exposoure on account of Financial Assets</b>							
<b>Trade Receivables (A)</b>	USD	307.11	182.50	124.61	227.77	5.17	222.60
	Euro	-	-	-	0.67	-	0.67
<b>b) Exposure on account of Financial Liabilities</b>							
<b>Borrowings, Trade &amp; Other Payables (B)</b>	USD	937.74	438.97	498.77	225.76	192.09	33.67
	Euro	-	-	-	30.01	-	30.01
<b>Net Exposure to Foreign Currency- Payables/(Receivable)B-A</b>	USD			374.16			(188.93)
	Euro			-			29.34

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

The following significant exchange rates applied during the year:

Particulars	Year end rates as on 31.03.2024	Year end rates as on 31.03.2023
INR/USD	83.4050	82.1750
INR/EURO	89.8825	89.4350

**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 and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	Impact on profit before tax (increase/decrease)	
	Year ended 31st March, 2024	Year ended 31st March, 2023
5% Strengthening /weakening of USD against INR	1,560.36	776.27
5% Strengthening /weakening of Euro against INR	-	131.20

**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, 2024	As at 31st March, 2023
<b>Variable Rate Instruments</b>		
Borrowings(Non -Current)(inclusive of curret maturities)	43814.02	35615.56
Borrowings (Current)	39021.25	10951.98
<b>Total Variable Rate Borrowings</b>	<b>82835.27</b>	<b>46567.54</b>
<b>Fixed Rate Instruments</b>		
Borrowings(Non -Current)(inclusive of curret maturities)	319.36	117.26
Borrowings (Current)	3538.79	0.00
<b>Total Fixed Rate Borrowings</b>	<b>3858.15</b>	<b>117.26</b>

**Cash flow sensivity 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, 2024	As at 31st March, 2023
Increase/(decrease) in 100 basis point	828.35	465.68

**c) Investment Risk:**

Company has not made any investments hence it is not exposed to investment risk.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**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 finance 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.

**(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
<b>As at 31st March, 2024</b>					
Borrowings	87481.90	48038.36	38510.34	933.20	87481.90
Lease liabilities	58.43	12.48	45.95	0.00	58.43
Trade payables	8732.62	8732.62	0.00	0.00	8732.62
Other Liabilities	4295.83	4295.83	0.00	0.00	4295.83
<b>Total</b>	<b>100568.78</b>	<b>61079.29</b>	<b>38556.29</b>	<b>933.20</b>	<b>100568.78</b>
<b>As at 31st March, 2023</b>					
Borrowings	47346.78	13080.22	33395.35	871.21	47346.78
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
<b>Total</b>	<b>62092.74</b>	<b>27768.01</b>	<b>33444.15</b>	<b>880.58</b>	<b>62092.74</b>

**(b) Financing arrangements**

The company has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Expiring within one year (Bank overdraft and other facilities)	<b>3478.75</b>	<b>19210.57</b>

Note: Calculated on the basis of sanctioned working capital limit. There is no restriction on the use of these facilities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**III. Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The 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, 2024 and 31st March, 2023 is the carrying value of the financial assets.

**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 Credit Loss	Carrying amount net of ECL
<b>As at 31st March, 2024</b>			
Cash and bank balances and other financial assets (Refer note 4,8,9,10)	4501.23	594.10	3907.13
<b>As at 31st March, 2023</b>			
Cash and bank balances and other financial assets (Refer note 4,8,9,10)	8628.52	0.00	8628.52

**(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
<b>As at 31st March 2024</b>				
Trade Receivables (refer note 7)	35725.04	Refer table (1) below	118.72	35606.32
<b>As at 31st March 2023</b>				
Trade Receivables (refer note 7)	23441.27	Refer table (2) below	72.27	23369.00

**1) Expected Probability of Default in case of Trade Receivables as on 31.03.2024**

Period from Due Date	Expected probability of default
Not Due	0.03%
Less than 30 days	0.10%
31 days- 90 days	0.10%
91 days- 180 days	0.10%
181 days- 360 days	0.10%
1-2 years	28.00%
2-3 years	28.00%
More than 3 years	100.00%



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**2) Expected Probability of Default in case of Trade Receivables as on 31.03.2023**

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%

**iii) Movement in Allowance for Expected credit loss**

Particulars	Amount
As at 1st April, 2022	27.64
Provided/Reversal during the year	44.63
<b>As at 31st March, 2023</b>	<b>72.27</b>
<b>As at 1st April, 2023</b>	<b>72.27</b>
Provided/Reversal during the year	46.45
<b>As at 31st March, 2024</b>	<b>118.72</b>

Revenue from top five customers during the year ended 31st March 2024 and 31st March 2023 is ₹ 44421.72 Lakhs and ₹ 50989.92 Lakhs which represents 19.17% and 23.64% of total sales in the respective year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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 31st March 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
		<b>Total</b>		<b>231.39</b>
<b>(ii) Details of Beneficiaries</b>	<b>M/s. Sportking India Limited</b>			
(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	<p>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.</p> <p>The matter was pending before adjudicating authority under the Act as on 31st March 2022.</p> <p>The Company had also filed a Civil writ petition with Hon'ble Punjab and Haryana High Court on the grounds that :-</p> <p>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.</p> <p>b) On 11th August, 2016 the Benami Transaction Prohibition Amendment Act, 2016 was passed and the same was notified to take effect from 1st 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.</p> <p>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.</p>			

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**(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 <sup>th</sup> June, 2023	State Bank of India and consortium of banks	Inventories	51146.24	51103.41	42.83	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Nil and Expected Credit Loss of ₹103.62)	29782.00	29455.52	326.48	Differences are not material and are mainly due to reinstatement of export debtors which was accounted for after submission of statement to the banks.
30 <sup>th</sup> Sept, 2023	State Bank of India and consortium of banks	Inventories	29980.72	29924.89	55.83	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Nil and Expected Credit Loss of ₹121.19)	35516.86	35519.21	-2.35	Differences are not material.
31 <sup>st</sup> Dec, 2023	State Bank of India and consortium of banks	Inventories	47680.94	47681.08	-0.14	Differences are not material.
		Trade receivables (Excluding Bills discounted amounting of Nil and Expected Credit Loss of ₹ 508.03)	40003.27	39415.35	587.92	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 <sup>st</sup> March, 2024	State Bank of India and consortium of banks	Inventories	64504.71	64290.23	214.48	Difference are due to value of Goods in Transit taken at the time of finalisation of accounts.
		Trade receivables (excluding Bills discounted amounting of ₹ 3538.79 Lakhs and Expected Credit Loss of ₹ 118.72 Lakhs)	32186.24	31827.83	358.41	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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**NOTE – 53: Key Financial Ratios**

Particulars	Numerator	Denominator	As at and year ended 31st March, 2024	As at and year ended 31st March, 2023	Variance	Reasons for Variation
Current ratio (in times)	Current assets	Current liabilities	1.85	2.63	-29.65%	As Current Assets increased mainly due to increase in Inventories and Trade Receivables, on the other hand current liabilities also increased due to increase in short term borrowings, but increase in current liabilities was comparatively higher than increase in current Assets. Therefore, current ratio was lower than last year.
Debt – Equity ratio (in times)	Total Debt	Total Equity	0.97	0.53	83.01%	Due to increase in short term borrowings and utilisation of reserves for buy back.
Debt Service Coverage ratio (in times)	Earnings available for debt service <sup>(1)</sup>	Debt Service <sup>(2)</sup>	2.40	2.91	-17.53%	Variance is not substantial.
Return on Equity ratio (ROE) (in %)	Profit for the year	Average Total Equity	0.08	0.16	-50.00%	As net profit after taxes are lower as compared to previous year and also on the other hand reserve were utilised for buy back.
Inventory turnover ratio (in times)	Cost of Goods sold	Average inventory	3.50	3.59	-2.50%	Variance is not substantial.
Trade receivables turnover ratio (in times)	Sales of goods and services	Average Trade Receivable	7.86	6.69	17.48%	Variance is not substantial.
Trade payables turnover ratio (in times)	Credit Purchases	Average Trade Payables	23.20	13.83	67.75%	It is mainly due to increase in purchases of Raw material.
Net capital turnover ratio (in times)	Sales of goods and services	Average Working Capital	4.56	4.67	-2.35%	Variance is not substantial.
Net profit ratio (in %)	Profit for the year	Revenue from operations	0.03	0.06	-50.00%	Net profit during the year was lower as compared to last year mainly due to low sales price of yarn as compared to last year.
Return on capital employed (ROCE) (in %) (with long & short term)	Earnings before interest and tax	Average Capital Employed <sup>(3)</sup>	0.10	0.18	-44.44%	Reduction is mainly due to lower profits and higher short term borrowings as compared to previous year.
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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(Amount ₹ in Lakhs unless otherwise stated)

**NOTE -54**

As per Section 135 of the Companies Act, 2013, the 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. A CSR committee has been formed by the company as per the Act. The expenditure has been incurred on the activities which are specified in Schedule VII of the Companies Act, 2013. The disclosure in this regard is as below:

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
(a) Amount required to be spent during the year	<b>569.93</b>	<b>455.79</b>
(b) Amount of expenditure incurred during the year		
i) Construction/ acquisition of any asset	36.33	0.00
ii) For purposes other than (i) above	520.76	448.35
(c) Excess expenditure incurred brought forward from previous year	51.77	59.21
(d) Excess expenditure incurred carried forward to next year	36.33	51.77
(e) Amount recognized in statement of profit and loss (b+c-d)	572.53	455.79
(f) Shortfall for the current year (after adjustment of excess expenditure brought forward from previous year)	0.00	0.00
(g) Total of previous years shortfall	0.00	0.00
(h) Reason of shortfall	NA	NA
(i) Nature of CSR activities	Refer below	Refer below
(j) Detail of related party transactions	Nil	Nil

**Nature of CSR activities**
**(i) During the year ended 31st March, 2024**

Distribution of uniforms to school students, distribution of spectacles and Nutrition Bags at Govt Hospitals, Installation of Water Coolers at Rehabilitation Centre and District Court.

**(ii) 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.

**NOTE-55**
**Ageing schedule of Capital Work in Progress**
**(i) As at 31st March, 2024**

Amount in CWIP For a period of 31st March 2024					
Particular	<1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) Projects in progress	0.00	0.00	0.00	0.00	<b>0.00</b>
(ii) Projects temporarily suspended	0.00	0.00	0.00	0.00	<b>0.00</b>

**(ii) 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	<b>662.07</b>
(ii) Projects temporarily suspended	0.00	0.00	0.00	0.00	<b>0.00</b>

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 2024 and 31st March 2023.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**(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, 2024	Year ended 31st March, 2023
Expenses incurred during the year (A)		
Rates and taxes	1.09	18.95
Borrowing Costs (Included LC Interest and Bank Charges)	46.65	386.45
<b>Total</b>	<b>47.74</b>	<b>405.40</b>
Amount of expenses included in Capital work-in-progress at the beginning of the year (B)	0.00	19.75
Amount of expenses Capitalized during the year (C)	47.74	425.15
Amount of expenses included in Capital work-in-progress at the end of the year (A+B-C)	0.00	0.00

**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, 2024 and 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.
- (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.
- (ix) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (x) The company has used the borrowings from banks and financial institutions for the purpose for which it was taken.

**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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

**NOTE – 59**

The Board has recommended a Final Dividend of Rs. 5/- per equity share of face value of Rs. 10/- each on fully paid equity shares amounting to Rs. 635.36 Lakhs and 5% on Non-Cumulative Non- Convertible Redeemable Preference Shares of face value of Rs.10/- each amounting to Rs. 34.16 Lakhs for FY 2023-24.

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 27, 2024

**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**

Ref. Folio/DP/ & Client No .....

No. 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 35<sup>th</sup> Annual General Meeting of the company held on Saturday, 17<sup>th</sup> August 2024 at 10.30 A.M. at its Registered Office at Village kanech, near Sahnewal, GT 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 at in the Notice of 35th 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 35<sup>th</sup> Annual General Meeting of the company held on Saturday, 17<sup>th</sup> August 2024 at 10.30 A.M. at its Registered Office at Village kanech, near Sahnewal, GT road, Ludhiana-141120 and at any adjournment thereof in respect of the following resolutions as are indicated below:-

Resolution No	Description
<b>ORDINARY BUSINESS</b>	
1.	To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024 and the Reports of the Board of Directors and Auditors thereon
2.	To declare dividend on Equity Shares of the Company for the Financial Year ended 31st March, 2024
3.	To appoint a Director in place of Mrs. Anjali Avasthi (DIN: 06911970) who retires by rotation who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment
<b>SPECIAL BUSINESS</b>	
4.	Ratification of Remuneration payable to Cost Auditors for the Financial Year 2024-25
5.	Approval for Sub-division/ split of existing 1 (One) Equity Share of face value of Rs. 10/- (Rupees Ten Only) each fully paid up into 10 (Ten) Equity Shares of face value of Rs. 1/- (Rupees One only) each fully paid up
6.	Alteration of Capital Clause of the Memorandum of Association of the Company

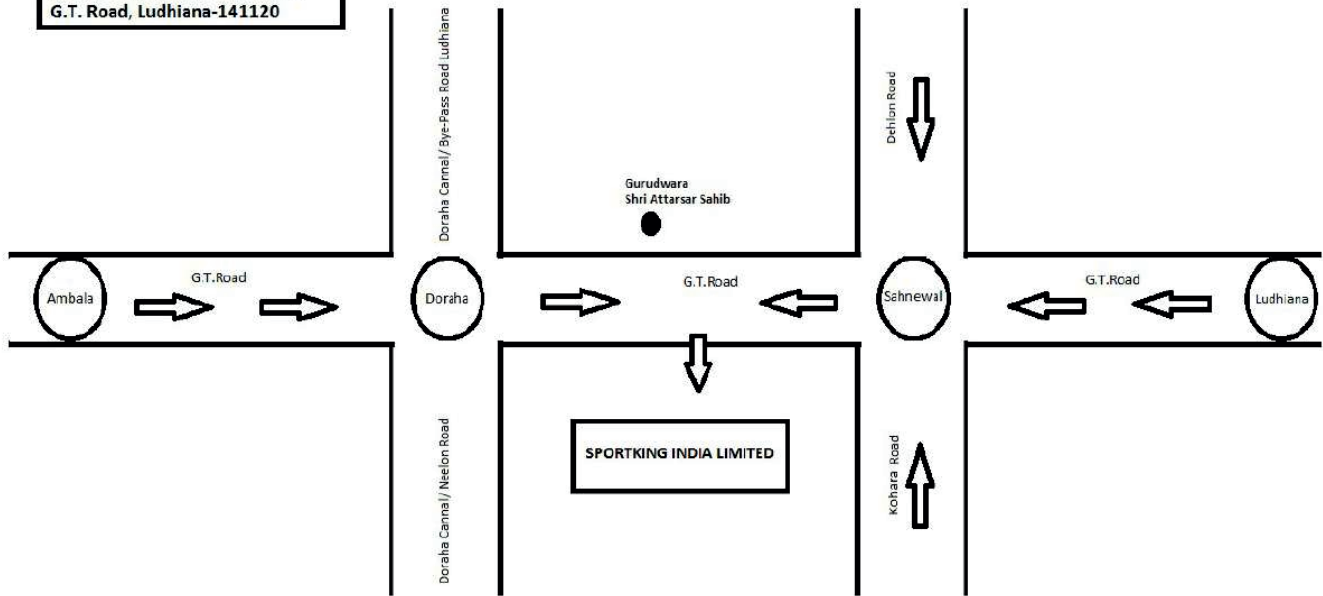
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Incomplete Proxy form will not be accepted.

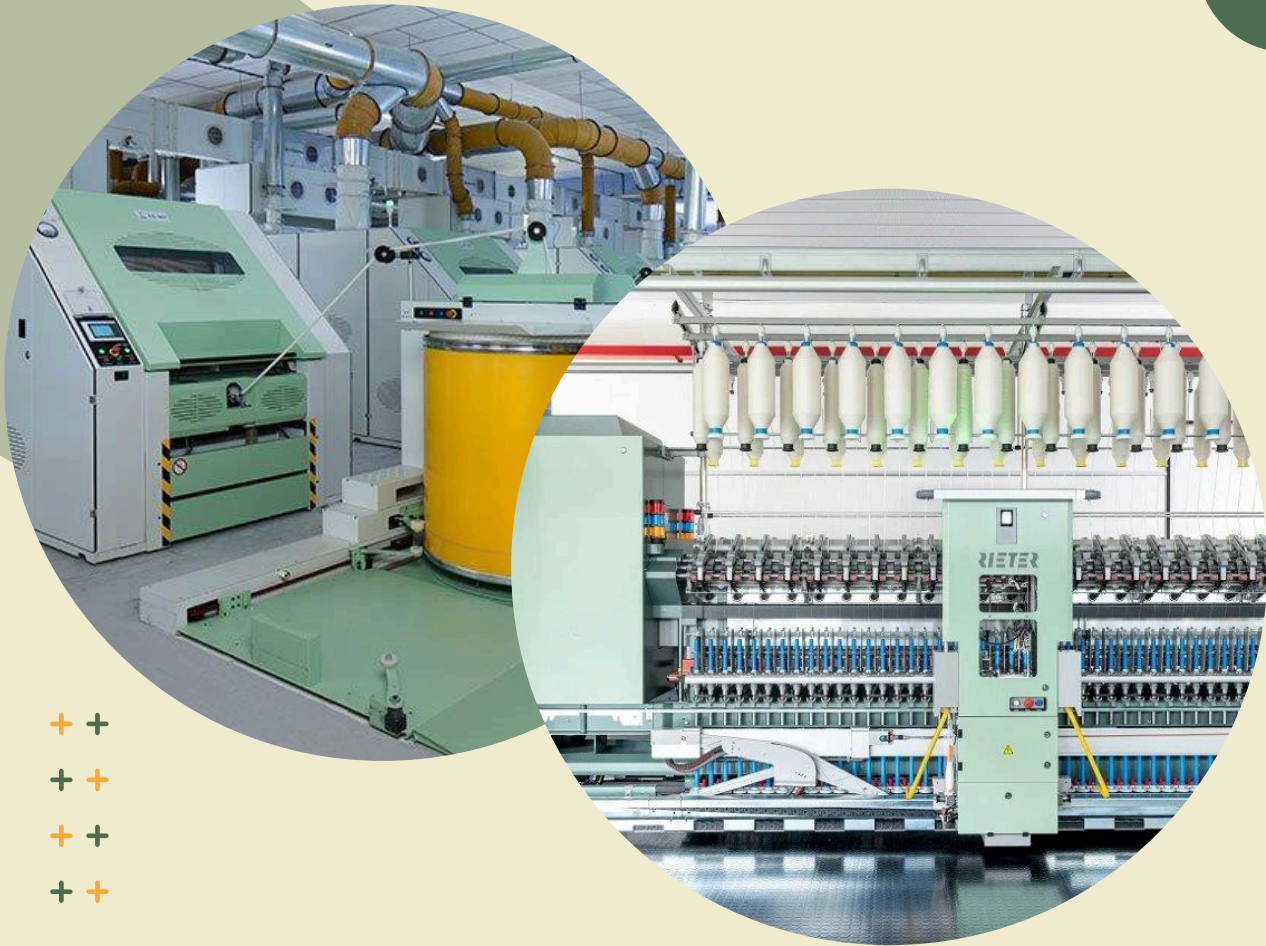
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

**Signature of the proxy holder**

**Signature of shareholder**

Venue of Annual General Meeting  
Sportking India Limited  
Village Kanech, Near Sahnewal,  
G.T. Road, Ludhiana-141120





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- + +
- + +
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## **Sportking India Limited**

If undelivered please return to:  
Village Kanech, Near Sahnewal  
G.T. Road, Ludhiana - 141120