

Sportking INDIA LTD.

(Govt. Recognised Four Star Export House)

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

SIL/2023-24/SE

Date: 21.10.2023

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

SUB: PRESS RELEASE REGARDING UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30TH SEPTEMBER, 2023.

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find attached herewith Press Release with respect to Unaudited Financial Results for the quarter/half year ended 30th September, 2023, as approved by the Board of Directors of the Company in their meeting held on 21st October, 2023.

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

Yours truly,

For SPORTKING INDIA LIMITED

Lovlesh Verma Digitally signed by Lovlesh Verma
Date: 2023.10.21 17:43:57 +05'30'

LOVLESH VERMA
COMPANY SECRETARY
(ACS: 34171)

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Sportking India Limited achieves its highest ever revenue from operations at Rs. 628 Crore

Punjab, 21st October 2023: Sportking India Limited, one of India's leading textile conglomerate, announced its financial results for the quarter ended 30th September 2023.

Key Highlights of the Quarter

- 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
- Export Contribution to revenue from operation stood at 52% for the quarter
- Revenue from operation stood at Rs. 628 Cr for Q2 FY24, up 14% Y-o-Y & 17% Q-o-Q
- Cash Profit after Tax for the quarter was Rs.38 Cr
- All phases of capacity expansion have been completed as originally guided and have been fully integrated with the existing capacity. Total spindle capacity now stands at more than 3,78,000 spindles.

Financial Performance

Particulars (Rs. Crs)	Q2 FY24	Q1 FY24	Q4 FY23	Q3 FY23
Total Operational Revenues	628	539	534	513
Gross Profit	118	118	121	107
Gross Margin (%)	19%	22%	23%	21%
EBITDA	40	50	56	40
EBITDA Margin (%)	6%	9%	10%	8%
Depreciation	22	20	14	14
Finance Cost	16	10	2	6
Profit After Tax	16	18	31	18
Cash Profit After Tax*	38	38	45	32

* Cash Profit After Tax = Profit After Tax + Depreciation

Higher Depreciation and Finance Cost since past two quarters on account of increasing existing capacity by 35%

Commenting on the results, Mr. Munish Avasthi, Chairman & Managing Director said,

“The broader textile sector continues to be on the path to slow recovery from the peak of first half of 2022. The cumulative export scenario has remained rather sluggish for a couple of quarters now - fueled by inflationary overhang and economic uncertainty resulting in a falling consumer confidence. While this has been the case in the fag end of the last financial year and early in the first quarter of this financial year – I would like to reiterate my belief that we see signs of gradual pick up in demand. We are seeing exports gaining momentum with increasing demand from countries such as Bangladesh. The domestic demand has lagged the export market however the upcoming festive season provides sufficient impetus for an increase in local demand.

Cotton yarn exports see an uptick in the second half of the financial year as the retailers gear up to stock their inventories. Coinciding with the onset of the new cropping season – cotton prices have remained rangebound with some softening due to fresh supply. This convergence makes us cautiously optimistic of the upcoming quarters.

At Sportking we continue to operate at scale with high utilization levels. The share of exports increased to 52% for the quarter as the company achieved its highest ever revenue from operations of Rs. 628 Crores. Our consistent export performance over the years got recognized as our status got upgraded from a Three-Star Export House to a Four-Star Export House. Margin pressure persisted on account of higher depreciation and finance cost as we expanded our manufacturing and captive power generating capacity. However, we expect them to stabilize near the end of this financial year. We remain focused on quality output – a philosophy that has helped us ride the tumultuous wave our sector faces currently but also making us confident in our ability to capitalize on opportunities when the tide will turn in our favor.”

About Sportking India Ltd:

Established in 1989, Sportking India Ltd emerged as one of India’s leading textile in company & owns 3 state-of-the-art manufacturing facilities in India equipped with latest machinery, produces 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.

Sportking India Ltd	Investor Relations: Orient Capital
	
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Safe Harbor Statement

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company’s operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.