

# Sportking INDIA LTD.

(Govt. Recognised Four Star Export House)

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

SIL/2024-25/SE

Date: 24.07.2024

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>

**SUBJECT: INVESTOR PRESENTATION FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2024**

Dear Sir,

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find attached herewith copy of Investor's Presentation with respect to Performance of the Company for the quarter ended 30<sup>th</sup> June, 2024.

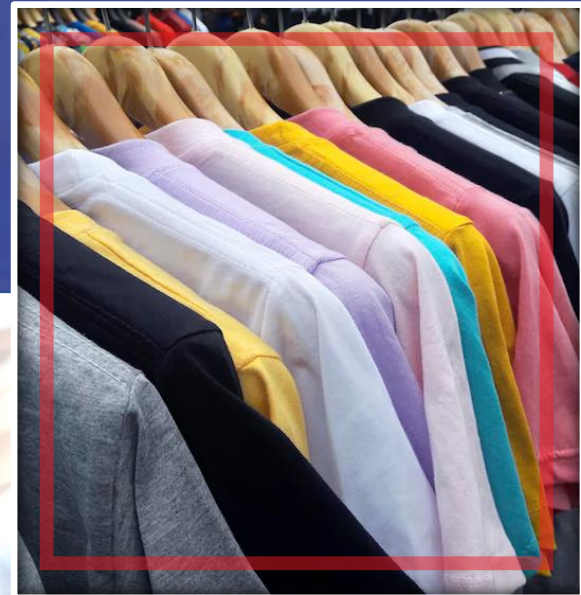
You are requested to take the above mentioned information on your records.

Yours truly,

**For SPORTKING INDIA LIMITED**

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

# Sportking



**SPORTKING INDIA LTD.**

Investor Presentation – July 2024

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## Q1 FY25 - Financial Performance



Quarterly Highlights  
Q1 FY25

Revenue from Operations\*  
**Rs. 634 crores** **17.7%**



GROSS PROFIT

**Rs. 154 crores**

*Margin at 24.3%*

EBITDA

**Rs. 74 crores**

*Margin at 11.6%*

EBIT

**Rs. 59 crores**

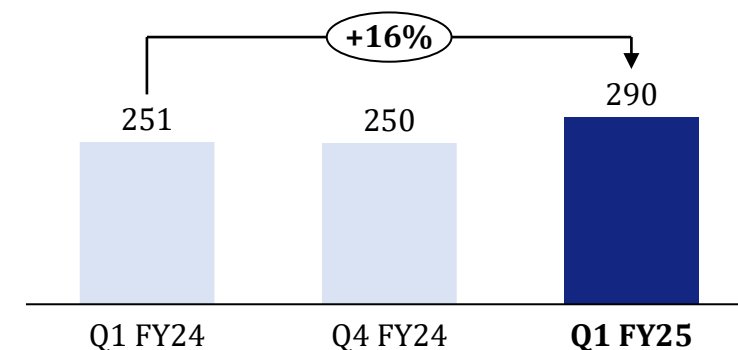
*Margin at 9.3%*

Profit After Tax

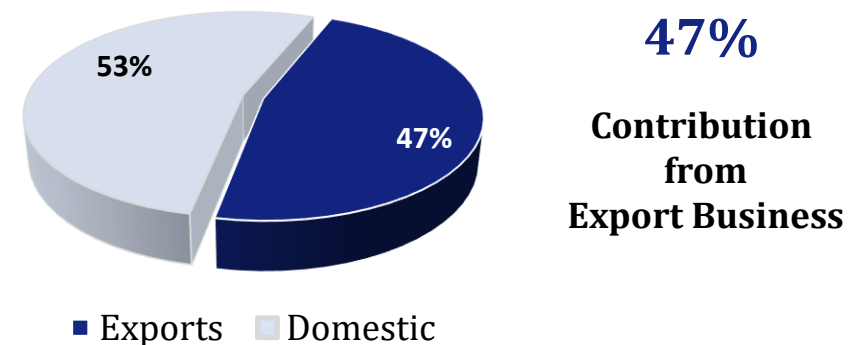
**Rs. 32 crores**

*Margin at 5.0%*

Revenue from Export Businesses  
(Rs. in crores)

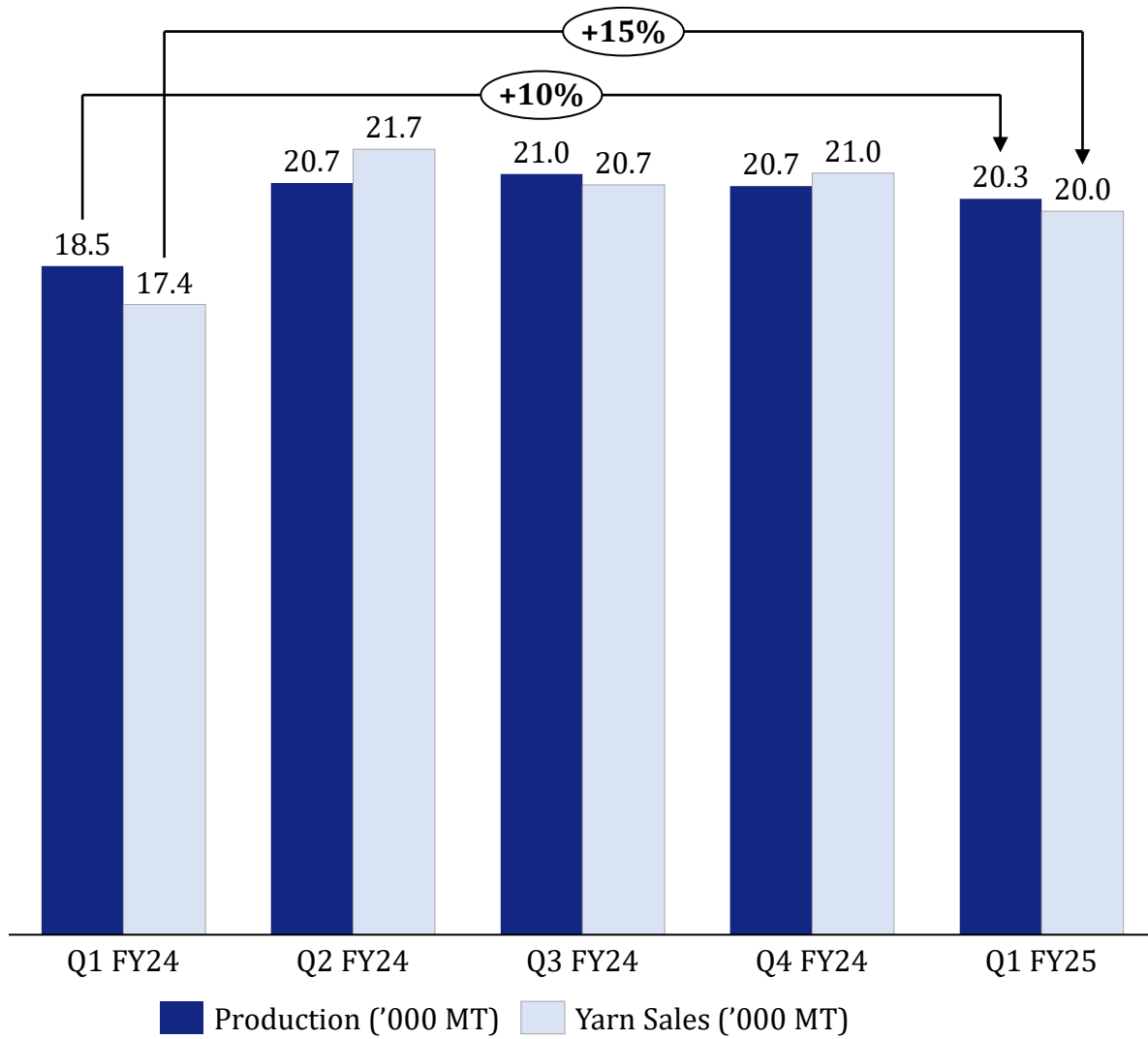


Q1 FY25 Revenue Contribution

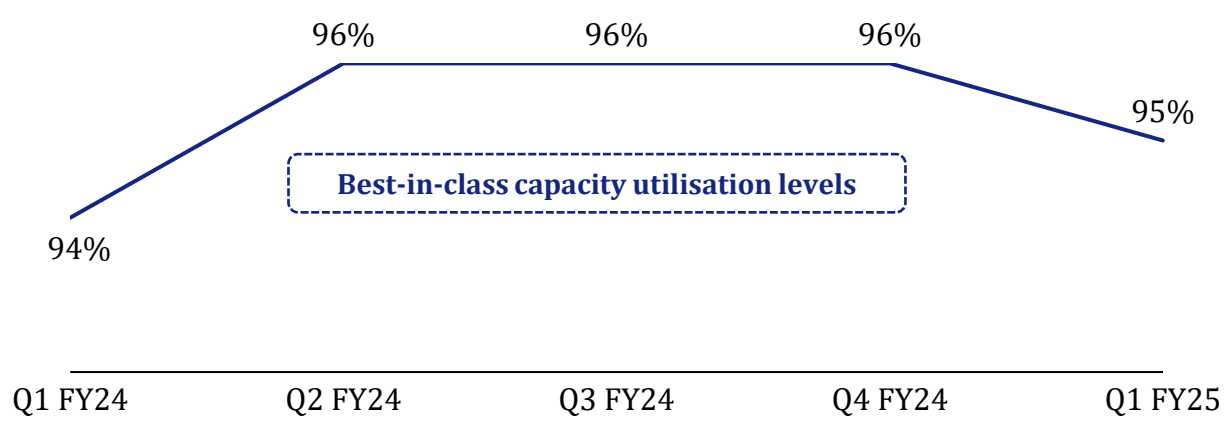


\* Change in Revenue from Operations on a yearly basis

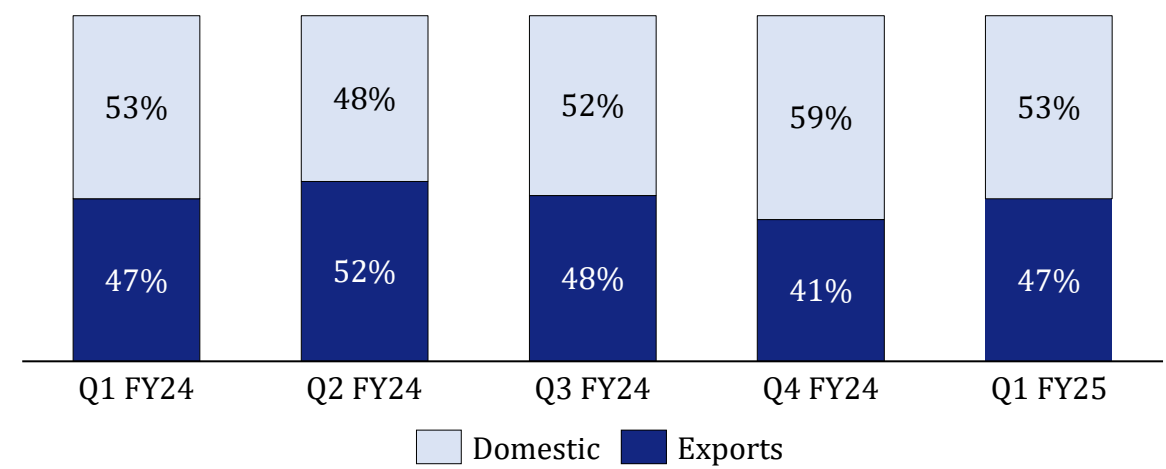
## Yarn Production and Sales Volumes

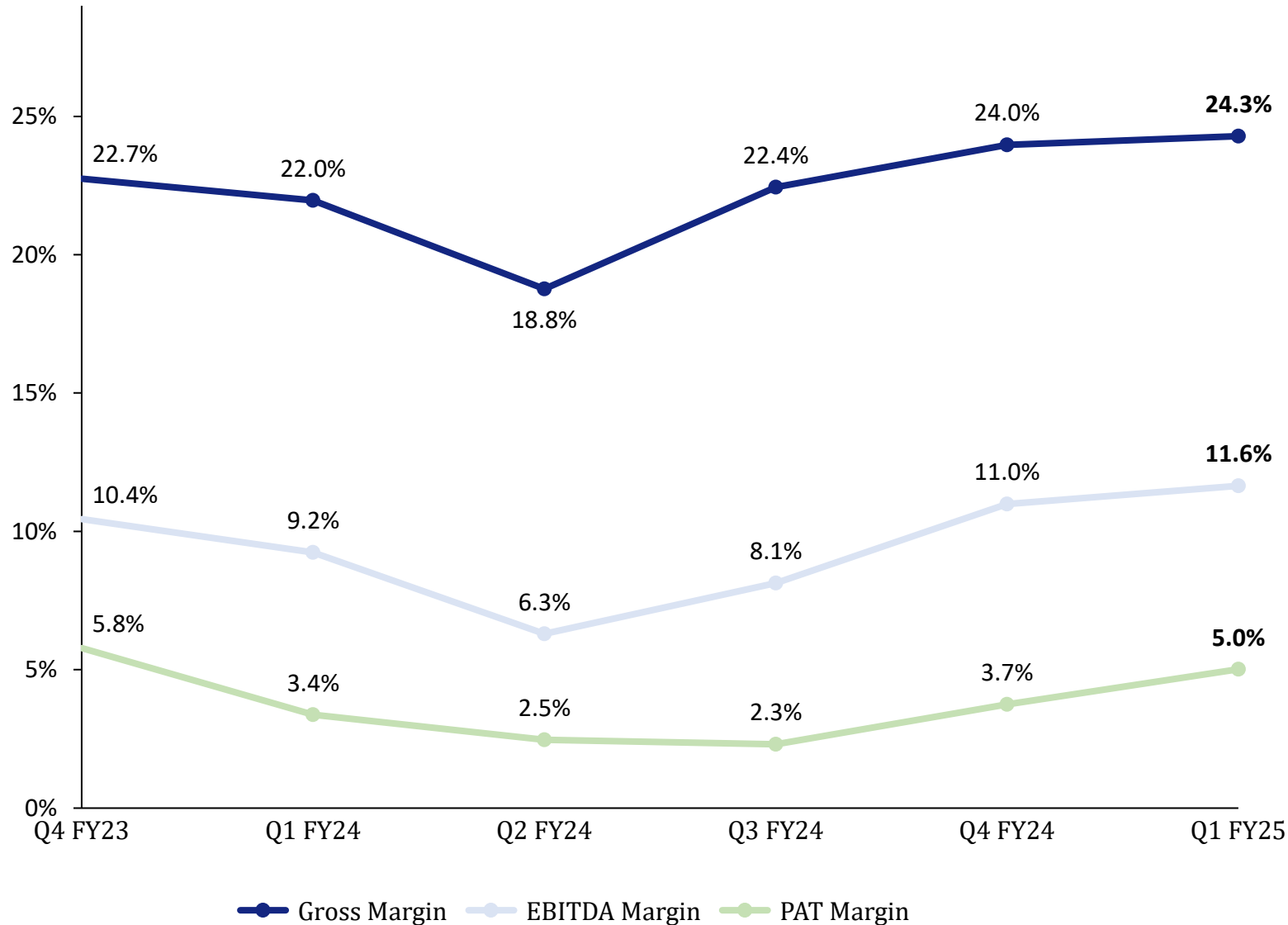


## Capacity Utilisation



## Revenue Contribution by Geography



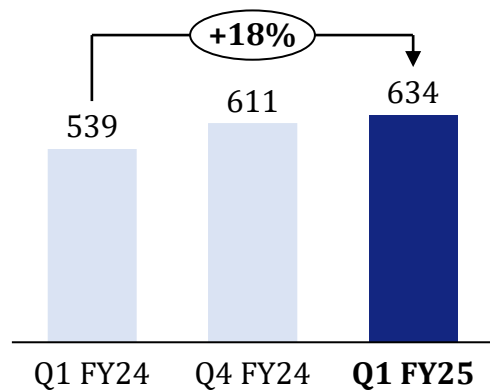


## Triggers for Margin Recovery

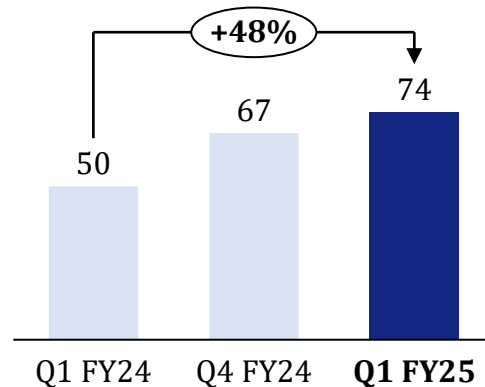
- ❖ Demand in key markets showing signs of improvement
- ❖ Pickup in Domestic Market from second half of Q3 FY24
- ❖ Demand rising from segments such as Weaving and Denim. Demand from retailers showing encouraging signs
- ❖ Utilisation ramped up to more than 95% with quick integration of newly increased capacity
- ❖ Cotton prices are expected to be stable

# Q1 FY25 FINANCIAL PERFORMANCE

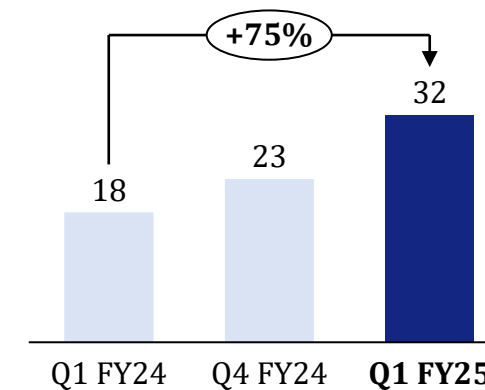
## Revenue from Operations (Rs. in Crs)



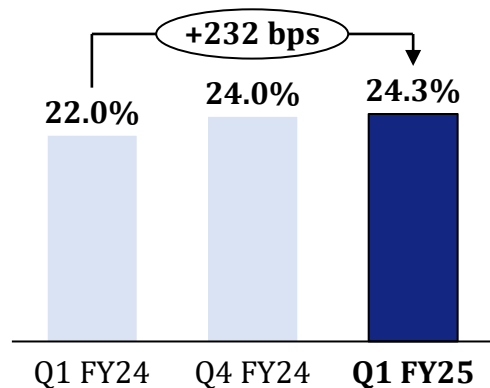
## EBIDTA (Rs. in Crs)



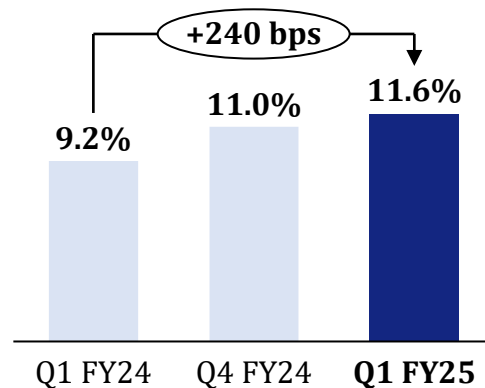
## PAT (Rs. in Crs)



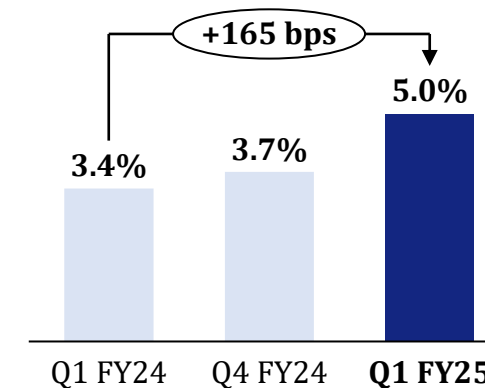
## Gross Profit %



## EBITDA %



## PAT %



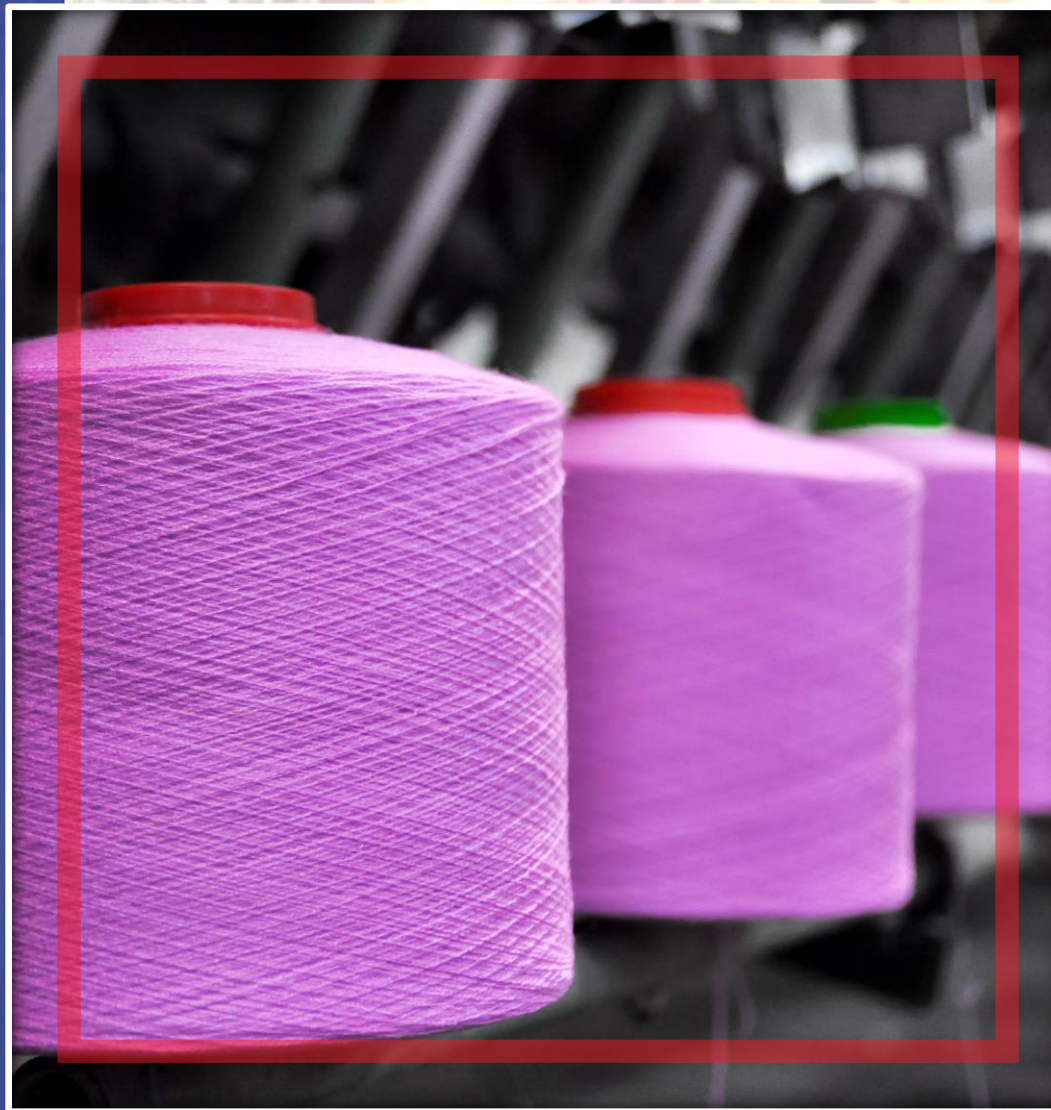


# Q1 FY25 PROFIT & LOSS STATEMENT

Profit & Loss statement (Rs. in Crs)	Q1 FY25	Q1 FY24	Y-o-Y	Q4 FY24	Q-o-Q	FY24
<b>Revenue from Operation</b>	<b>634.0</b>	<b>538.9</b>	<b>17.7%</b>	<b>611.2</b>	<b>3.7%</b>	<b>2377.1</b>
Raw Material Cost	450.5	412.0		415.2		1702.6
Purchase of Finished goods	0.2	0.4		0.0		0.8
(Increase) / Decrease In Stocks	-7.6	-28.4		10.7		1.4
Power Cost	36.9	36.6		38.8		155.3
<b>Gross Margin</b>	<b>154.0</b>	<b>118.4</b>	<b>30.1%</b>	<b>146.5</b>	<b>5.1%</b>	<b>517.2</b>
<b>Gross Margin %</b>	<b>24.3%</b>	<b>22.0%</b>	<i>+232 bps</i>	<b>24.0%</b>	<i>+31 bps</i>	<b>21.8%</b>
Employee Cost	34.1	32.1		36.7		139.4
Other Expenses	46.0	36.4		42.7		172.6
<b>EBITDA</b>	<b>73.8</b>	<b>49.8</b>	<b>48.3%</b>	<b>67.1</b>	<b>10.0%</b>	<b>205.2</b>
<b>EBITDA %</b>	<b>11.6%</b>	<b>9.2%</b>	<i>+240 bps</i>	<b>11.0%</b>	<i>+66 bps</i>	<b>8.6%</b>
Other Income	6.8	5.3		2.9		35.7
Depreciation	21.8	20.3		21.9		85.9
Finance cost	15.2	10.4		16.6		59.1
<b>PBT</b>	<b>43.5</b>	<b>24.4</b>	<b>78.6%</b>	<b>31.6</b>	<b>37.9%</b>	<b>95.9</b>
<b>PBT Margin %</b>	<b>6.9%</b>	<b>4.5%</b>	<i>+234 bps</i>	<b>5.2%</b>	<i>+170 bps</i>	<b>4.0%</b>
Exceptional Items	0.0	0.0		0.0		0.0
Tax	11.7	6.2		8.7		25.6
<b>PAT</b>	<b>31.8</b>	<b>18.2</b>	<b>75.1%</b>	<b>22.9</b>	<b>39.2%</b>	<b>70.3</b>
<b>PAT Margin %</b>	<b>5.0%</b>	<b>3.4%</b>	<i>+165 bps</i>	<b>3.7%</b>	<i>+128 bps</i>	<b>3.0%</b>

**Sportking**

## Business Overview



Established in **1989**

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

**Diversified** Product  
Range

Manufacturing facilities with  
**Modern Technology**



Presence in **30+** countries

Committed to create **High  
Quality** end products

Compliance with  
**International Quality**  
recognition standards

Recognised **Four Star**  
Export House

Installed 6K+ Spindles for manufacturing of Acrylic Yarn at Ludhiana 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. 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 increased 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 compact yarn achieving a total overall spinning capacity 274K+ spindles.



2018-19

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).



2022-24

## 01 Product Range

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

## 02 Focus on Quality

Ensuring supply of high-quality yarns consistently adhering to domestic and international standards

## 03 Customer Centric Approach

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



## 04 Competitive Prices

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

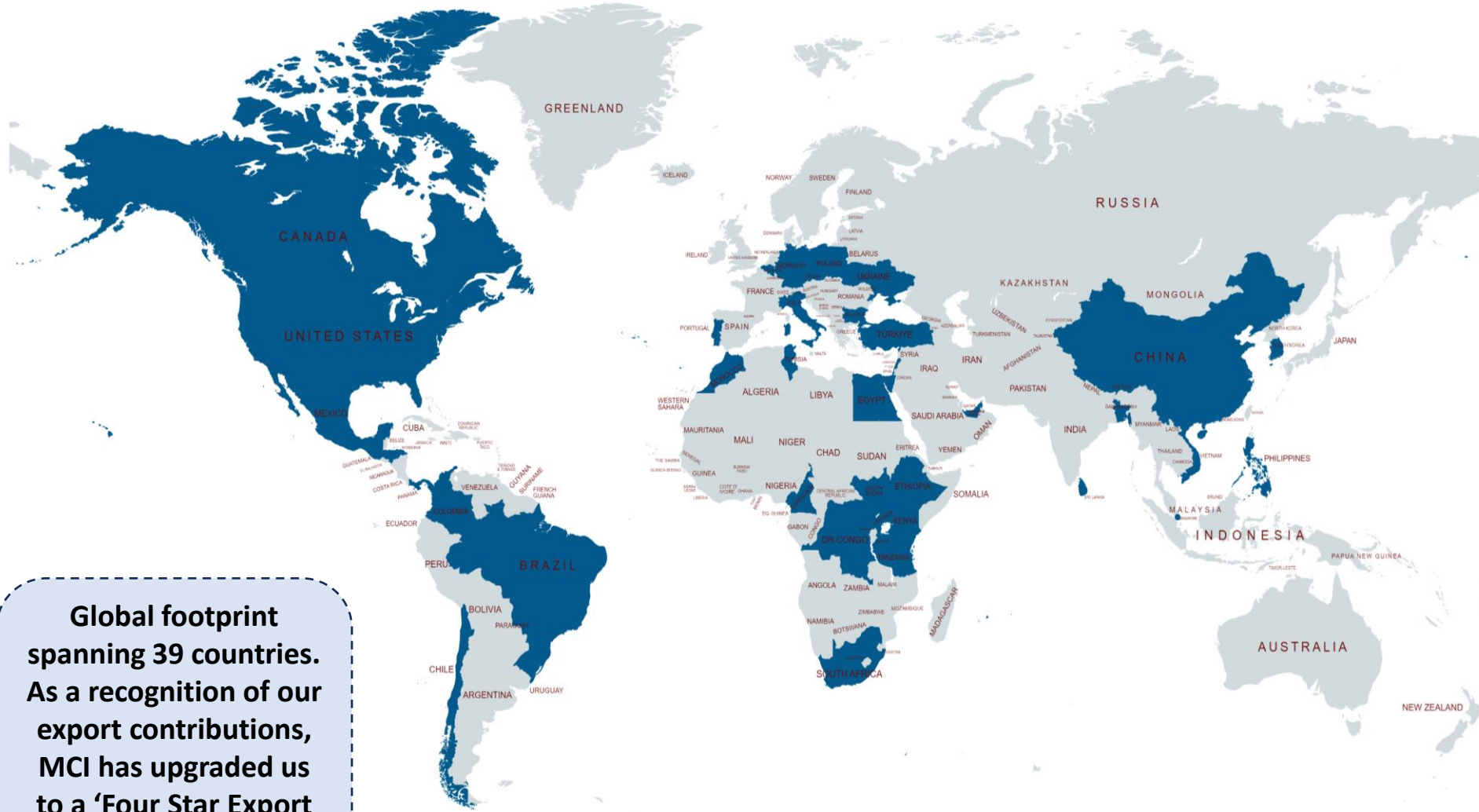
## 05 Efficiency in Operation

Established history of undertaking efficient manufacturing operation at scale, quick integration and turnaround of all capacity additions

## 06 Brand Launching

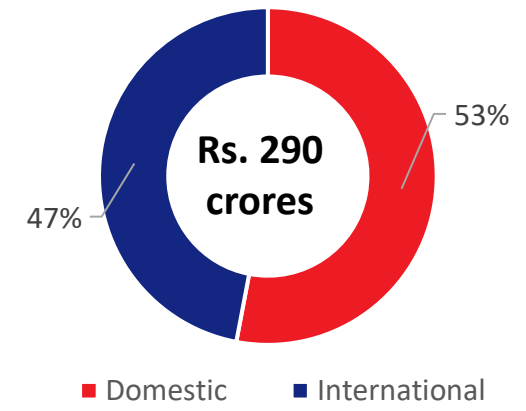
Crystal - cotton yarn made with imported cotton

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



**Global footprint spanning 39 countries. As a recognition of our export contributions, MCI has upgraded us to a 'Four Star Export House' in FY24.**

**Geography Wise Revenue Break-up Q1 FY25**



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



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

**Capacity utilisation of all units more than 95%**

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







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



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



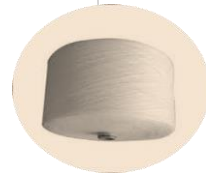
**Concentrated Production Capacity:** Bulk of total spindle capacity (80%+) is housed under a single unit easing oversight and operational planning



The **variable price of electricity will be Rs. 5.50 per Unit** for the industry as announced by the Punjab Govt.



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



## 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



## Focus on excellence

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

## Customer Driven Innovation

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

## Domestic & international markets

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

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

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

## Dedicated marketing team

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

M&S  
EST. 1884

**JACK &  
JONES**

ZARA



OLLY  
WEAR

Sainsbury's

**VERO MODA®**

**INDITEX**



**Munish Avasthi**  
**Chairman & Managing Director**

- Munish Avasthi aged 51 years is having rich experience in Spinning/Textile Industry from last 30 years.
- The day-to-day operations of the company are looked after by him. He has been also awarded First Generation Entrepreneur Award for Textile Mills by Cotton Association of India in April 2018.

**Naresh Jain**  
**Executive/Whole Time Director**

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

**Prashant Kochhar**  
**Non-Executive Independent Director**

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

**Sandeep Kapur**  
**Non-Executive Independent Director**

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

**Harpreet Kaur Kang**  
**Non-Executive Independent Director**

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

**Anjali Avasthi**  
**Non-Executive Non Independent Director**

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

**Sandeep Sachdeva**  
Chief Financial Officer

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

**Shiv K. Sharma**  
President- Production

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

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

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

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

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



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**Sportking**

## Sector Outlook





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

The sector can act fast and grab the huge opportunity opening up due to a change in global textile trade patterns.

While the opportunity is huge, the government and the industry need to act in coordination, and fast, as the world will not wait.

### Working population

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



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

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

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

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

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



MARKET DECLINE

### China's natural advantages are eroding slowly

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

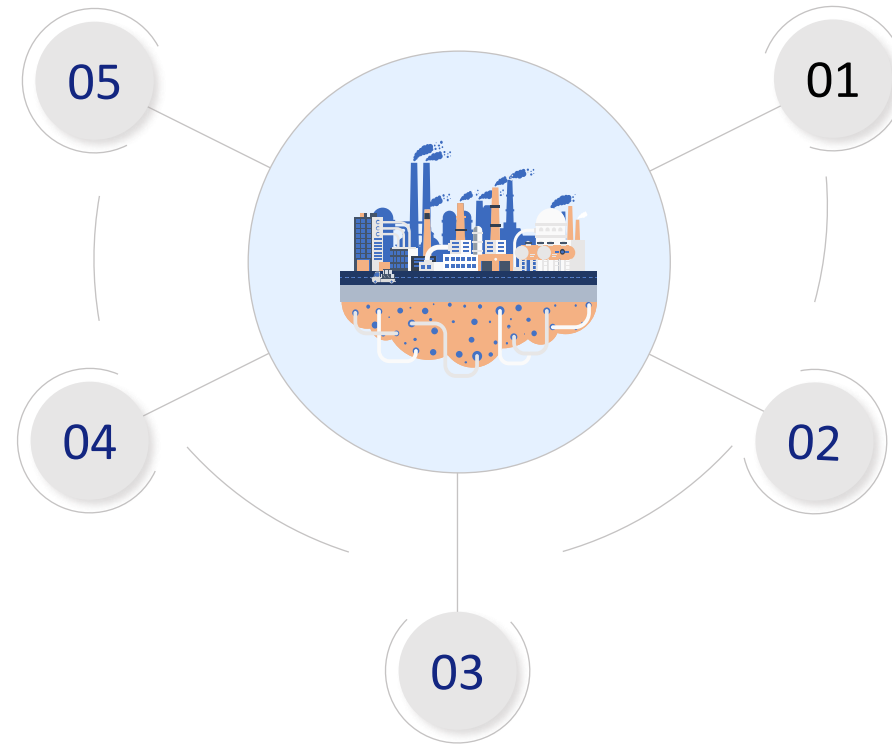


## Textile Cluster Development Scheme (TCDS)

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

## PLI Schemes

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



## Free Trade Agreements

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

## Mega textile parks

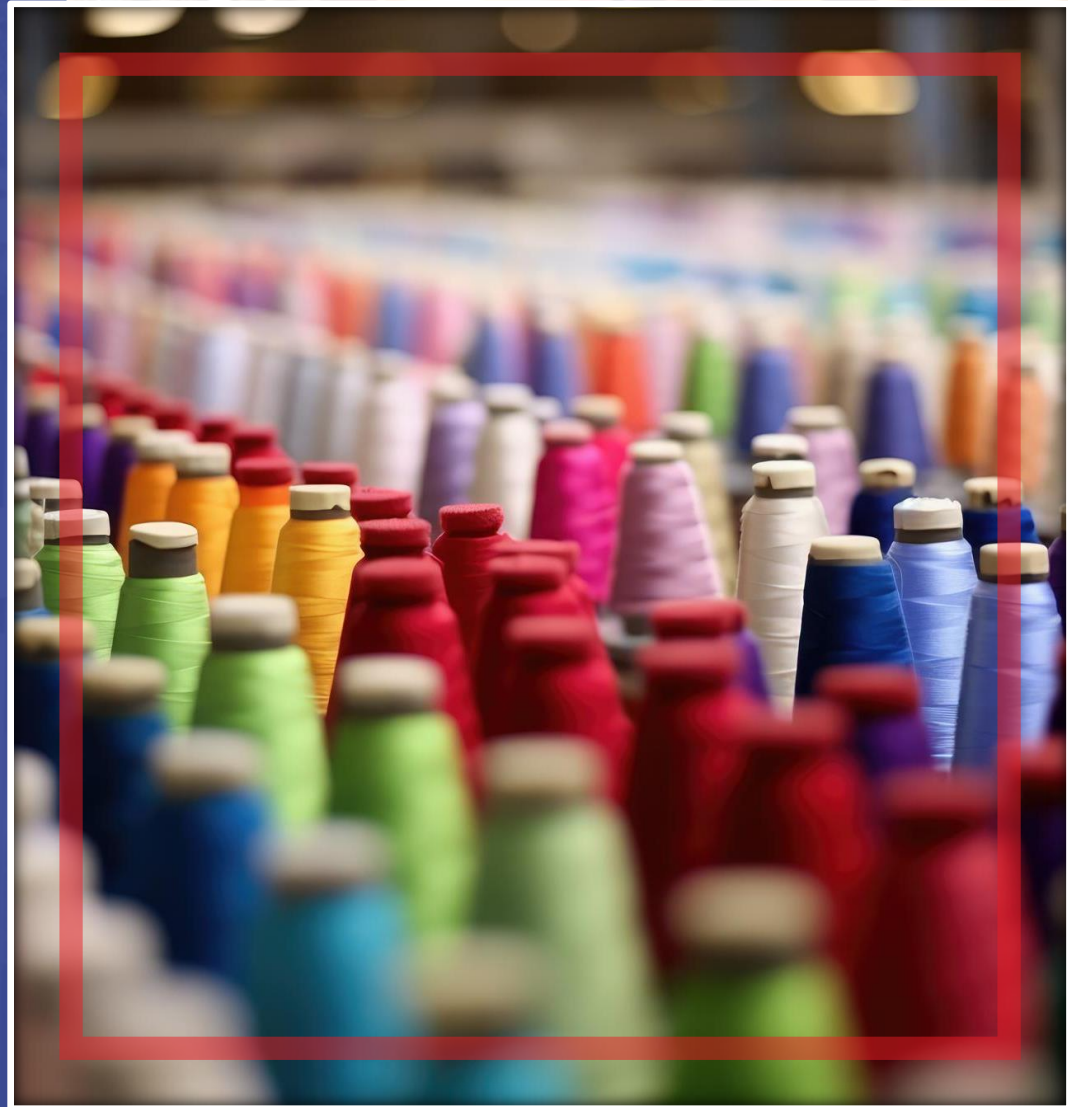
- Approval seven mega textiles and apparel parks under “PM-Mitra” with capital support of Rs 44.4bn over five years from the central and state governments
- Development Capital Support (DCS) of up to Rs 5bn will be given to all greenfield parks and the central government has also announced competitiveness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

## Remission of duties & taxes on Exports

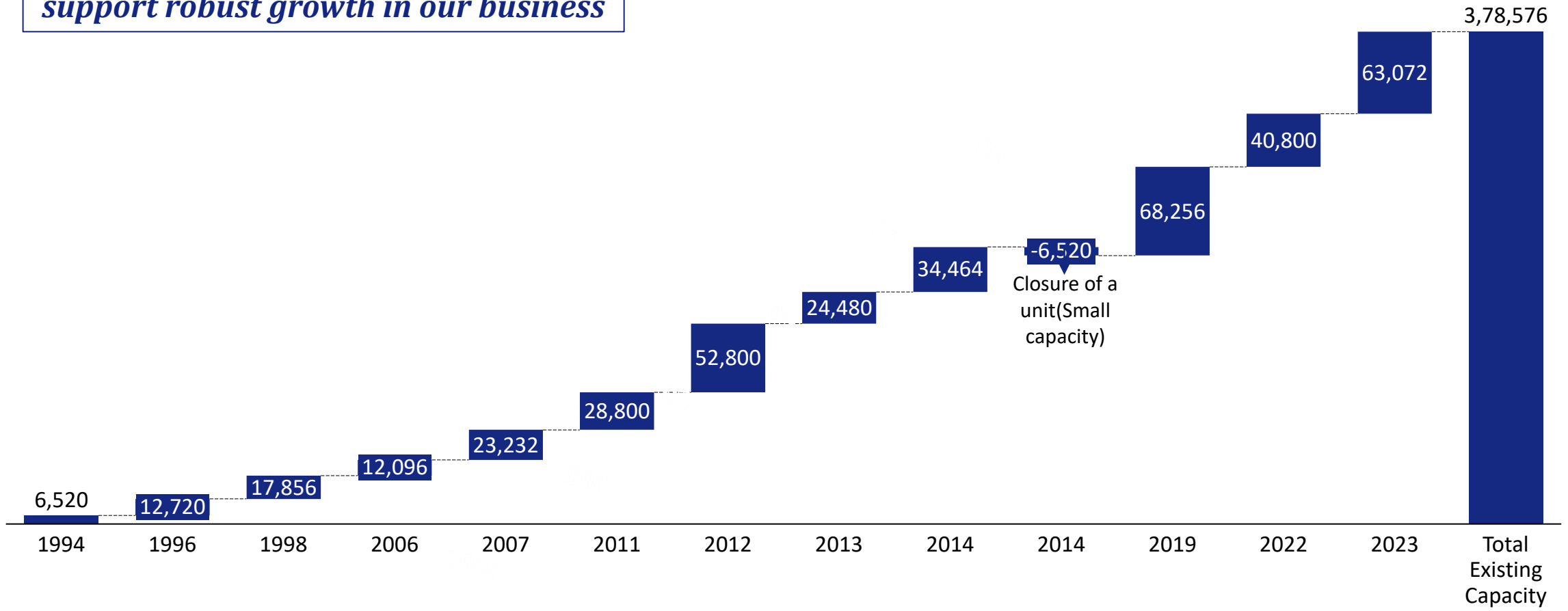
Government has approved continuation of RoSCTL with the same rates till 31<sup>st</sup> March 2026

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Annexure

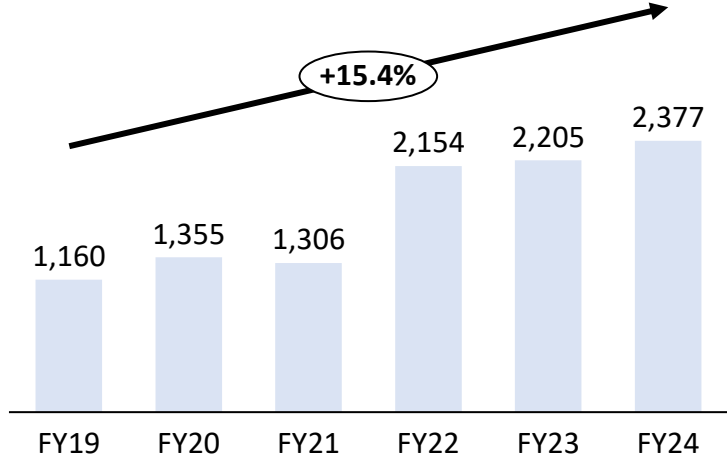


*Continuous capacity addition to support robust growth in our business*

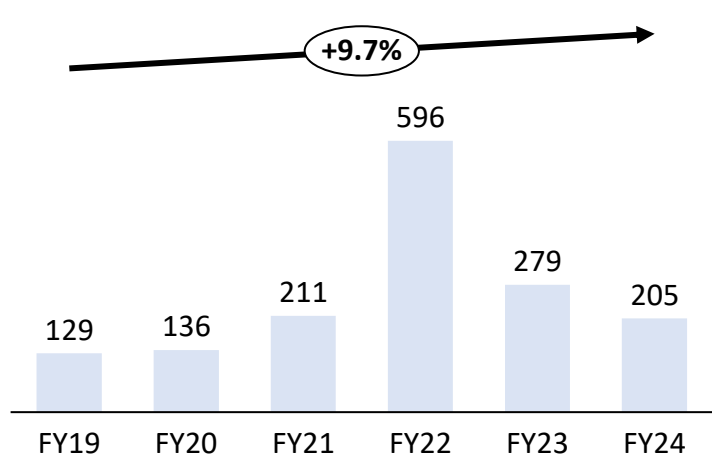


# HISTORICAL FINANCIAL CHARTS

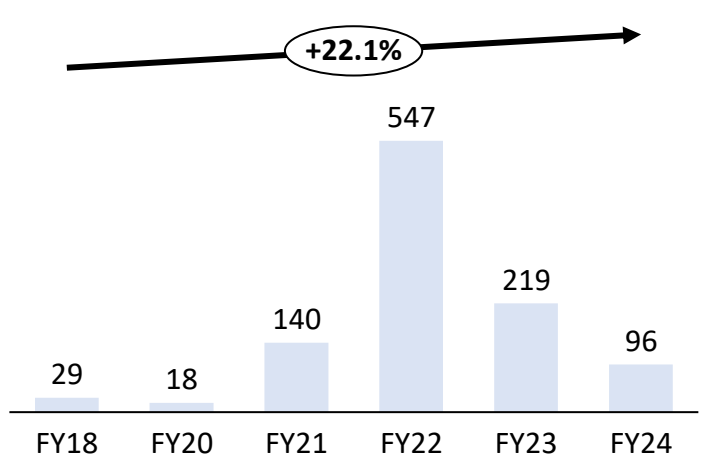
Revenue from Operations (Rs. in Crs)



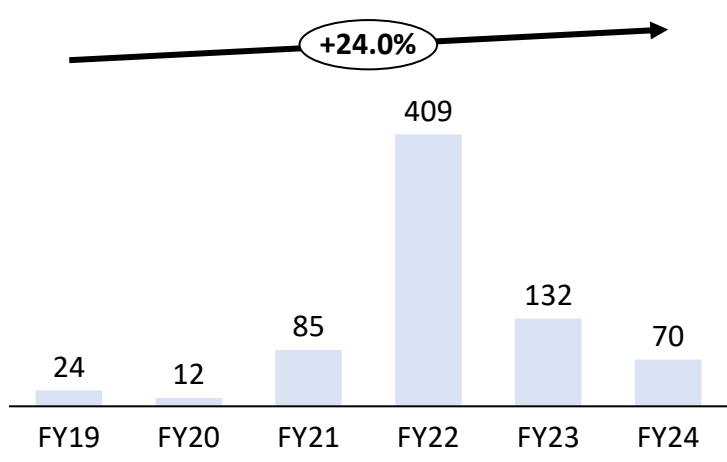
EBITDA (Rs. in Crs)



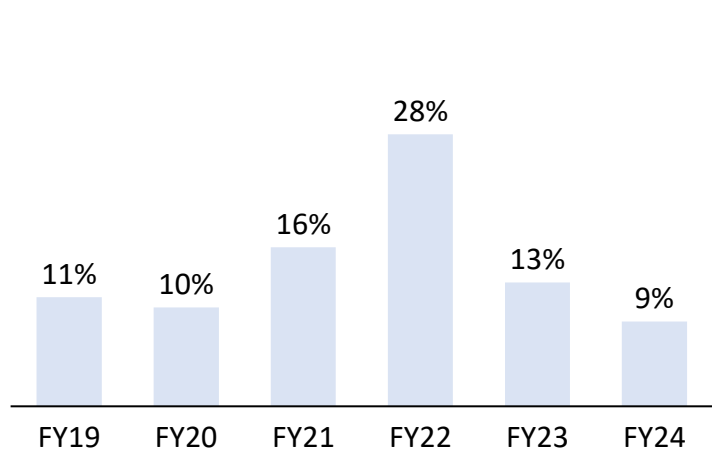
PBT (Rs. in Crs)



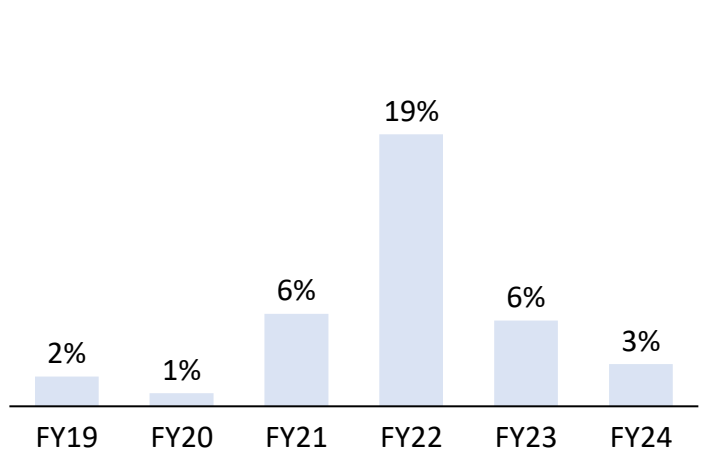
PAT (Rs. in Crs)



EBITDA %



PAT %



# HISTORICAL PROFIT & LOSS STATEMENT

Profit & Loss statement (Rs. in Crs)	Mar'24	Mar'23	Mar'22	Mar'21	Mar'20	Mar'19
<b>Revenue from Operation</b>	<b>2377</b>	<b>2,205</b>	<b>2,154</b>	<b>1,306</b>	<b>1,355</b>	<b>1,161</b>
Raw Material Cost	1703	1,558	1,181	785	901	756
Purchase of Finished goods	1	1	0	0	1	1
(Increase) / Decrease In Stocks	1	-15	-14	10	7	-2
Power Cost	155	119	120	112	113	96
<b>Gross Margin</b>	<b>517</b>	<b>542</b>	<b>867</b>	<b>399</b>	<b>334</b>	<b>309</b>
<b>Gross Margin %</b>	<b>22%</b>	<b>25%</b>	<b>40%</b>	<b>31%</b>	<b>25%</b>	<b>27%</b>
Employee Cost	139	116	105	87	97	83
Other Expenses	173	147	166	103	100	97
<b>EBITDA</b>	<b>205</b>	<b>279</b>	<b>596</b>	<b>209</b>	<b>136</b>	<b>129</b>
<b>EBITDA %</b>	<b>9%</b>	<b>13%</b>	<b>28%</b>	<b>16%</b>	<b>10%</b>	<b>11%</b>
Depreciation and Amortisation Expense	36	48	44	52	63	54
Finance Costs	86	23	29	36	58	39
Other Income	59	12	24	19	3	2
<b>PBT</b>	<b>96</b>	<b>219</b>	<b>547</b>	<b>140</b>	<b>18</b>	<b>38</b>
<b>PBT Margin %</b>	<b>4%</b>	<b>10%</b>	<b>25%</b>	<b>11%</b>	<b>1%</b>	<b>3%</b>
Exceptional Items	0	30	-	22	-	-
Tax	26	58	138	33	6	14
<b>PAT</b>	<b>70</b>	<b>132</b>	<b>409</b>	<b>85</b>	<b>12</b>	<b>24</b>
<b>PAT Margin %</b>	<b>3%</b>	<b>6%</b>	<b>19%</b>	<b>7%</b>	<b>1%</b>	<b>2%</b>
<b>Earnings per share (EPS) (Rs.)</b>	<b>55</b>	<b>99</b>	<b>308</b>	<b>63</b>	<b>9</b>	<b>17</b>

**Thank You**

**Sportking**

**Sportking India Limited**

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