

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

SIL/2026-27/SE

Date: 25.05.2026

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

**Subject: Transcripts of Earnings Call of Sportking India Limited
for Quarter And Year Ended 31st March, 2026**

Dear Sir,

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith transcripts of the Earnings call of the Company held on Tuesday, 19th May, 2026 to discuss the Company's Financial Performance for quarter and year ended 31st March 2026.

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 India Limited
Q4 FY '26 Earnings Conference Call”
May 19, 2026



MANAGEMENT: **MR. MUNISH AVASTHI –CHAIRMAN AND MANAGING
DIRECTOR –SPORTKING INDIA LIMITED
MR. SANDEEP SACHDEVA – CHIEF FINANCIAL
OFFICER –SPORTKING INDIA LIMITED
MR. LOVLESH VERMA – COMPANY SECRETARY –
SPORTKING INDIA LIMITED**

MODERATOR: **MS. DARSHI JAIN – MUFG INTIME**

Moderator: Ladies and gentlemen, good day, and welcome to Sportking India Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Darshi Jain. Thank you, and over to you, ma'am.

Darshi Jain: Thank you. Good afternoon, everyone. Welcome to the Sportking India Limited Q4 and FY '26 Earnings Conference Call. Today on the call, we have Mr. Munish Avasthi, the Chairman and Managing Director; Mr. Sandeep Sachdeva, Chief Financial Officer; and Mr. Lovlesh Verma, the Company Secretary. I hope you have gone through our press release and the investor deck.

A short disclaimer before we start this call. This call will contain some forward-looking statements, which may be based upon our belief, opinion and expectations of the company as of today. These statements are not a guarantee of future performance and will involve unforeseen risks and uncertainties.

With that, I would now like to hand over the conference call to Mr. Munish Avasthi, the Chairman and Managing Director, for his remarks. Thank you, and over to you, sir.

Munish Avasthi: Thank you so much. Good afternoon, ladies and gentlemen. I hope you had an opportunity to go through our press release and investor deck. We are pleased to share that the company delivered a resilient performance despite a challenging environment. Our revenue broadly remained stable while profitability improved. This growth was supported by better yarn realization and better demand for cotton yarn during the quarter.

Now let me take you through what happened since our last con call. There were many things happened. First of all, the improved demand in almost all the geographies across the world and in all the segments that we meet. The resurgence of China as a large importer of cotton yarn, the share increased from 7% to 8% to almost 25% to 30%, and they keep on buying. Renewed Bangladesh optimism after the elections in Bangladesh. Local demand though lagging for first few months is now leading the charge since March when the U.S. tariff went away.

The rupee depreciation is helping to make Indian spinning more competitive. Indian cotton has finally regained its competitiveness after a rally in international prices and softening rupee. Consolidation, which we have been talking since last 2 years, which happened in last 3, 4 years across the world has now unlocked the real potential of spinning sector, and we expect to see this accelerating going forward.

Though there are some headwinds as well, the macro climate is still of huge uncertainty because of multiple wars going on. Inflation forecasts are of higher inflation, which generally doesn't bode well for growth. Duty on cotton, though right now not that relevant, continues to be a detriment.

Looking ahead, we continue to see a robust demand after a long time from all the segments. Cotton spreads have reached almost 3- year highs and are expanding. We are expecting to expand our margins for next 2, 3 quarters with these increasing spreads and a good cotton coverage.

Now I would like to give you an update on our various capex programs. The 40-megawatt solar power supply will commence by the end of May and is expected to save around INR14 crores to INR15 crores next year, this -- annually. We are also making strong progress on our greenfield expansion project of approximately INR1,000 crores, which will enhance our spindle capacity by around 150,000 spindles.

The land acquisition has been completed, advances of machinery have been released and the construction activities are progressing as scheduled. This expansion will significantly strengthen our production capabilities, improve operational efficiency and position us to effectively cater to the growing demand. We expect the commercial operations of the project to commence in the third quarter of the current financial year.

As part of our strategic growth plan, the Board has approved the acquisition of a majority stake in Marvel Dyers and Processors Private Limited, which will strengthen our processing capabilities and enhance our integrated operations. The Board has also approved the acquisition of the manufacturing facilities of Sobhagia Sales Private Limited on a slump sale basis and land and building on lease basis subject to definitive agreement and customary approvals.

Looking ahead, we are confident of improved overall performance and with EU and U.K. FTAs in the horizon will provide further stimulus next year when the new facilities come up. Now we can go ahead with the question & answer session.

Moderator: Thank you very much. The first question is from the line of Bhavika Jain from Niveshaay Investments. Please go ahead.

Bhavika Jain: So first question on the new capex, which we are coming up in Q3. I want to understand that how we can expect the ramp-up of that capacity because looking at the current scenario, there has been a very huge demand coming from the China and even globally for the yarn. So how are we looking at this industry demand and what's our plan to cater to it and to be a part of this demand tailwind?

And the second question I have on the spread side, as you say that we expect that the spread will continue for 2 to 3 quarters. So I want to know the particular reason behind the spreads like increasing? And how confident we are that it's going to be sustainable going forward in 2 to 3 quarters? If you can give clarity on that.

Munish Avasthi: Okay. So first of all, I'll go with the last question. So we are pretty confident about the spread because generally, we have exporting -- we have a book for 90 days for our sales. So we are already through this quarter, almost half of the quarter. And so this quarter, our book is already there and the next half of the quarter is also sold.

So -- and looking at the current demand scenario, we foresee that this demand is going to be there going forward. And with the cotton, we have already covered for these 3 to 6 months. So that's why we are so confident about the spreads to be there and maybe go a little higher from last quarter. And your first question was about the new capacity, right?

Bhavika Jain: Yes.

Munish Avasthi: So what did you want to know about the new capacity?

Bhavika Jain: I just want to understand that are we planning to ramp up quickly looking at the current demand scenario? Or like what's our view -- how we are thinking of the upcoming capacity?

Munish Avasthi: Okay. So we are actually doing the best we can. So being a greenfield project, I think we are exceeding our own internal expectations and we are -- of course, looking at the current scenario, we are also trying our best to get it as soon as possible. But it takes a little time, the construction and everything. So the time line which we have given is the one we are sticking to right now.

Bhavika Jain: Okay. And just a follow-up on the spread side. I want to understand that because -- maybe you can correct me. The current demand scenario, which we are seeing is majorly due to the China - like China is buying from India. So I want to understand that are we exporting to China or -- because as per my understanding, we export mainly to Bangladesh. So if you can give clarity what's the scenario on ground and how we are seeing and taking part of it?

Munish Avasthi: So China -- so see, India makes almost 400,000 tons -- 400 million kgs of yarn every month. So China imports just 30 million, 35 million out of that. So it's not that it is only China which has caused this demand resurgence or spread resurgence. The only thing is they came and they pick up the incremental capacities. And we -- for us, China is not that big. Our share in China -- so as a country, the India's share is around, I think, since last 4, 5 months around, I can say, about 23%, 24%. But at Sportking, yes, of course, we have also increased our exports to China from almost 2%, 3% to maybe 10%, 12% in last 1 quarter.

Bhavika Jain: And on Bangladesh, right? Do we see any...

Munish Avasthi: Bangladesh continues to be the major place where we export. And it is -- as it was -- a little bit of share has been taken up by China, but the demand is still there. It's just because of lack of goods that -- lack of production that we cannot give -- that we have to rearrange our priorities a little. But still Bangladesh continues to be our number 1 market in export.

Bhavika Jain: Got it. Okay. That's all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Ahmed Madha from Unifi Capital. Please go ahead.

Ahmed Madha: Yes. Thanks for the opportunity. Same question from the previous participant, I just want to understand that piece a little bit better. Your remarks on seeing China being a small portion of overall India's production, that's fair. But if I look at historical data of India's exports to China, it has been fairly volatile, right?

I think the numbers pre-COVID were probably much higher and then '22, it was much lower; '23, it was higher. And last couple of years, it was lower. And last few months, we have been seeing the trend. So what factors would you ascribe for this volatility, in general, I'm asking? And what are the factors to watch out for that may sustain this incremental demand from China? That was my first question.

Munish Avasthi:

Yes. Good question. So as far as -- of course, you're right when you talk about China being a volatile partner. So that's why our share is always -- we are very circumspect in increasing our share to such a market.

But what we are seeing different with China this time around is we see for last 4, 5 years, that Chinese domestic demand was faltering and we see a resurgence in their domestic demand, which is helping in increasing the demand for all kinds of yarns -- and not only cotton yarn, but all kinds of yarn.

And I think some the U.S. politically also is getting some share of business back to China. And another thing is China, I think cotton -- raw cotton, I think they have peaked in their production. So now they need to import cotton. And for cotton, they have a very high duty, that is 40% or some quotas.

And so in an arbitrage, they can be -- they buy cotton yarn. So yes, you're right, you can never be sure of Chinese demand because it's not always there. But we see the things have changed, things are changing in China. For the last 4, 5 years, it was grappling with its own economy, domestic economy, which I think has turned the corner. So that's what giving us the confidence that this time, they will be there all the time.

Ahmed Madha:

Okay. Sure. That helps. And on the spreads part, you made comments that you have visibility of order book for a couple of quarters and you have inventory for maybe a couple of months. But say, beyond Q2, and I'm trying to just crystal ball here, just trying to improve my understanding -- beyond 2 quarters when, say, India's new crop comes and if it's lower and then cotton prices, your procurement cost goes up, in that case, how would you ascribe your margins? What range one can consider?

Munish Avasthi:

Okay. So see, right now, you forget the cotton coverage because that is -- every company has its own policy, and we are not talking about the inventory losses or profits. But if you look at today's cotton prices, even then the spreads are amongst the best which we have had in the last 3 years. And going forward, see, generally in spinning, April to September quarters are generally weak quarters.

So -- and because there are many tailwinds from October till March, your overall productivity goes up because of less heat. There is a festive season coming up, then spring season orders from Western world and the new harvest comes in, where the cotton prices go down. So we don't -- we expect maybe not -- we don't have a crystal ball either. So we don't know what it will be, but we see it better than what we have been doing in the last 2, 3 years.

- Ahmed Madha:** Sure. That helps. Last question. If I look at your international business breakup has been more or less somewhere around 50 percentage plus or minus 5%. Do you see that share changing in upcoming years or this sort of share is what one will continue to assume.
- Munish Avasthi:** Data in export and domestic?
- Ahmed Madha:** Yes, yes, yes.
- Munish Avasthi:** Yes. We -- it's -- I think we have been in this ballpark for a long time. So I think we stick to that because -- and maybe with the new FTAs coming in and kicking in, in earnest next year. So maybe we see a much more bigger demand from India. So we are pretty flexible either way, wherever we see the opportunity, we pivot.
- Ahmed Madha:** Sure. That helps. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Saransh Gupta: from SVAN Investments. Please go ahead.
- Saransh Gupta:** Hello, sir. Am I audible?
- Munish Avasthi:** Yes.
- Saransh Gupta:** Yes. Thank you for the opportunity, sir. Sir, I had a few queries. So I just wanted to understand like if you can help us with what -- how will the forward integration that we have just acquired through slump sale and majority stake in dyed yarn and garments, like how will that pan out for us -- how will that pan up for us going ahead?
- Munish Avasthi:** So that is something -- so of course, we will be formalizing it very soon. And after that, it's a slow thing. So we are acquiring these businesses, and we have some plans, but they are long-term plans. So right now, for next 1 year, we just want to integrate and we want to see where all we can help each other. And the bigger plans we will share once we go through the integration and maybe after 6 to 9 months.
- Saransh Gupta:** That would be great. Also sir, going ahead, like how do we see the business growing, like we are adding around 40% of our current capacity in Phase 1 and then there is another phase that will come up. So we will be at a good amount of capacity for spindles and we are also forward integrating. So do we see a shift towards value-added products going ahead? Or like how will it be.
- Munish Avasthi:** Yes. See, the ultimate goal is that, that's why we are integrating these facilities. But right now, in the next 12 to 18 months, it's -- this new capacity, the first phase which we are putting is of focus and integrating the existing -- integrating these new 2 acquisitions.
- And then I will take it forward. So we are working in all the fronts and we are looking at opportunities how they present and how the dynamics shift. But now we are in all the segments, and we are constantly exploring how we can expand in each segment.

- Saransh Gupta:** Sir, I basically wanted to understand like from a 3- to 5-year perspective, like how do we see the business going ahead? Is it from the Yarn segment or there will be a good amount of contribution from the value-added products, we call like fabric or probably dyed yarn or garments?
- Munish Avasthi:** See, that's what I told you. That's the plan. That's why we are integrating because ultimately, it is not to acquire these small companies. We want to scale it up. But again, this is something which is in our plans. But how it fructifies is how we see it performing in the next 1 year or 18 months. And then we will go as we see how well they are being integrated with us.
- Saransh Gupta:** That's very helpful. Also sir, if you can help us with the spreads, like how did they move and where are we right now?
- Munish Avasthi:** How what move, sorry?
- Saransh Gupta:** Cotton yarn spread.
- Munish Avasthi:** Cotton yarn spread today is, I think, around more than \$1 between the skein cost and the final yarn prices. So yes, it's -- so they have -- for the last couple of years, they were at around \$0.70, \$0.65 to \$0.70. So yes, they have improved significantly and earlier today -- I think if it remains at \$1 with the rupee depreciating, I think mills are happy.
- Saransh Gupta:** All the best and thank you so much. Thank you.
- Moderator:** Thank you. The next question is from the line of Anil Sharma. Please go ahead.
- Anil Sharma:** Good afternoon, sir and congrats for record set of numbers. Sir, my question is regarding inventory of the cotton, how much months inventory you are having? If you can share some guidance on that? And number two, how we think that in the days to come, how the EU and other FTAs will be affecting -- foresee regarding the FTAs?
- Munish Avasthi:** So EU and U.K. FTAs, of course, have been announced and they are being debated in their respective parliaments. And we hope U.K. at least to be active in next 2 to 3 months. EU which we believe -- which we hear from the government sources might take another 6 months. So we expect both the FTAs to be effective from within this -- by the end of this financial year.
- And about our cotton coverage, we don't really disclose our numbers. But the thing is like all good mills, we tend to cover our seasons cotton by the end of March. So -- and this is not something we do like -- we do this every year because you cannot secure quality cotton otherwise. So I think that's my risk.
- Anil Sharma:** All right. I hope for the long-term future of this industry, our industry is good as we see.
- Munish Avasthi:** Sorry?
- Anil Sharma:** I think the future, it means medium-term future is good for our yarn and the apparel industry, textile industry.

- Munish Avasthi:** Yes. I think the long-term future, I'm more excited about the long-term future with all these FTAs and the competitiveness of Indian spinning and apparel industry going forward.
- Anil Sharma:** Right. Thank you, sir. Congrats.
- Moderator:** The next question is from the line of Ahmed Madha from Unifi Capital. Please go ahead.
- Ahmed Madha:** Yes. Thanks for the opportunity again. Sir, two questions. Firstly, you were answering previous participant question on cotton, I didn't get. You gave some time frame. If you can repeat that, please, if possible, on your cotton coverage. On your cotton coverage, you were answering question to previous participant and you gave certain time line of inventory. If you can explain that bit again, please?
- Munish Avasthi:** We generally don't comment on our cotton coverage. The only thing I said was that like all good companies, we tend to cover most of our cotton requirements for the year by the end of March. So that's about it. That's all I can say.
- Ahmed Madha:** Sure, sure. Regarding your greenfield spindle capacity of 150K, in what time frame post-commercialization it can achieve optimum utilization?
- Munish Avasthi:** I think the day we start commissioning, it should take 6 months from there where we can fully - - when we can expect 97%, 98% utilization. So it will come in phases like that's how spinning] works. So from the day we commission, I think in 2 months, we'll start getting the first kilo out of there. And every month, then we will be getting incrementally 15%, 16% of production.
- Ahmed Madha:** Okay. Sure. And what will be your thinking on overall industry supply per se? There have been a lot of commentary around seeing the unorganized players have wound down and so on and so forth. How would you judge the industry supply per se because only a few large companies are expanding capacity like you. So how would you judge overall Indian yarn competitive intensity and unorganized capacities?
- Munish Avasthi:** I think we have been seeing this since last 3, 4 years -- since the last boom after COVID that a lot of capacities in India, not only in India, across the world have shut down because of different reasons. Because of financial problems, because of being obsolete technology, not modernizing on time.
- So I think this process is still going on. So we expect this process to go on and we expect more consolidations happening and we expect the good companies which are run efficiently to keep on growing. And we expect the people, the companies -- because there's a lot of shift happening in technology and anything which is older than 20 years cannot survive in today's environment.
- So either you modernize or you shut down. Otherwise, it's very difficult to compete. So we expect either you modernize or you shut down. That is the motto which is happening for the last few years because the margins -- though right now we are well placed, but overall we don't see the long-term margins are close to 15%. And with all this new -- old machinery, it's very difficult to sustain at those levels.

Ahmed Madha: Sure. And for first half, will it be fair to assume we do 15% plus margins based on your current visibility?

Munish Avasthi: We don't give any guidance, but yes, I'll be disappointed if we don't.

Ahmed Madha: Sure. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Pramod from SRA Investments.

Pramod: Thank you for the opportunity. So I've got a few questions from my side. The first one was with regarding to the merger. So can you give us more color on the expected time line for the completion of the acquisition and give us some perspective on how Sportking India Limited margin is expected to grow after the acquisition?

Munish Avasthi: So see the immediate impact on the margins will not be a lot because they are very small. With our top line, we are expecting around INR2,700 crores, INR2,800 crores this financial year, the coming financial year. And these two companies will give us close to INR200 crores in our top line. So we don't expect to really enhance our margins with these numbers. But yes, they are our road map for the future. They are our you can say, labs for our future expansions, which we need to do in downstream. So we expect to close this within this quarter, in this calendar year at the most.

Pramod: Got it. And is it fair to assume that the potential operational synergy integration benefits or cost efficiency can influence the margin going forward?

Munish Avasthi: Yes, of course, definitely. The margins for these companies will definitely increase once the synergies are there. But as I said, the overall -- because these are 7% to 8% of our total turnover. So the impact on the total company will not be so huge within this year. Maybe once we start scaling those businesses up, then things will change.

Pramod: Got it, sir. It was clear picture. My next question was with regards to the overall industry. So just wanted to understand the overall textile industry and the yarn demand. So could you help us understand how the management views the demand cycle of yarn and including the key factors that can influence this fluctuation across the different phases of cycle?

Munish Avasthi: So right now for last 3 months, 4 months -- 3 months we are seeing a continuous demand for almost all kinds of yarns. And we don't have a crystal ball, but the feeling as somebody who has been running these businesses for the last 30 years is that we see some structural changes which have happened, which are helping this time around, like the consolidation which have happened.

So the demand -- a little bit of extra demand just catapulted the spreads. So that means that we have a lot of underlying potential in this business. So any meaningful increase in demand can really jack up the spreads. So I think personally in India, after all these FTAs and all the talks which are going on, we see a lot of potential.

We see a lot of -- we see India becoming the hub -- if we act right as being the hub for garment manufacturing and fabric manufacturing going forward as a substitute for China and overall

stable policies, stable power, stable everything. The interest rates are pretty moderate when we compare it to across our competitors. So we see a lot of potential. It just that the downstream has to now pull up their socks, which they are doing. I think a lot of capacities coming up in anticipation of these FTAs. And we see a good -- bright future for the whole chain going forward.

Pramod: Got it, sir. That was really helpful. So that was all from my side. If I have any other question I will join back the queue. Thank you.

Moderator: Thank you. The next question is from the line of Bhavika Jain from Niveshaay Investment. Please go ahead.

Bhavika Jain: Thank you for the follow up opportunity. Basically, I just want one clarity on the capacity utilization as in last call, management mentioned that they are at full utilization, like at 95% utilization. So just want to achieve that till we are not coming up with the -- like because it will take three quarters.

So how we are seeing our top line getting -- the top line growth going forward for two to three quarters? Is it the margin -- is this just the spread which is going to reflect or there will be a volume addition? Second, in this quarter, we did a 13% of EBITDA margin. Just want to understand that what led this margin and are we expecting this to continue going forward?

Munish Avasthi: Okay. So your question was first of all, about -- so we see the yarn prices, which were at around USD2.70, let's say, in average for last quarter, maybe USD2.80. So they have gone up now to anywhere close to USD3.30. So we would see, of course, as we sell -- we always -- when it's going up, we always as a company get it with a lag because we have a policy of a long-term sales book.

So we expect top line to increase by 7% to 10% in the next three quarters because of the higher prices. Volume-wise, we don't see any increase in volume because we are already working at full capacity, whatever is optimum capacity, 95%, 96%. And any new capacity will only reflect maybe in the last quarter or in the third quarter, maybe a little bit.

And a little bit more substantially from fourth quarter and fully from the next financial year. About the margins, we expect -- how these margins came about, of course, better spreads. These margins could have been higher, but we have some small provisions. So we expect the margins to expand meaningfully in the next two, three quarters, looking at the spreads and our long sales book.

Bhavika Jain: If you can give me the range in between we can expect the margins to be?

Munish Avasthi: We don't -- they'll be -- they shall be -- we are looking at quarter-on-quarter expanding by at least 15%, 20%.

Bhavika Jain: Okay. That's helpful.

Moderator: Thank you. The next question is from the line of Krunal Shah from Enam Group. Please go ahead.

- Krunal Shah:** Hi, thanks for giving me the opportunity. So first is on -- is there any update, sir, from the government in terms of imported cotton and the duties on the same?
- Munish Avasthi:** So that's the big thorn in the flesh, though right now it doesn't mean a lot because Indian cotton is substantially cheaper than the international cotton. But of course, for the long-term health of this industry, this is the one fight which we have to win. But right now, the communication is going on. We have been meeting different ministries periodically and they all understand the rationale behind it. And we expect to see something coming up in the next couple of months. We are just waiting because with the government, it's a one- way communication. You can always tell them your problem, but they will tell us when they are ready for the solution.
- Krunal Shah:** Right. And what we were hearing is that even before the cotton price hike in March, CCI pricing was being calibrated in line with U.S. cotton prices. Is this observation true, sir?
- Munish Avasthi:** Yes. You are right on that, that CCI has been pretty efficient with -- and they were very textile industry supportive in their pricing. But the problem lies in when they are buying. When they sell, they are pretty good. But when they are buying, that time, there's a problem. That is the time when there's a disconnect between the prices, international prices and Indian prices. That is from a period from October till February.
- Krunal Shah:** Got it. So in terms of buying, how much would CCI be out of -- buying from India's total production of cotton?
- Munish Avasthi:** This year, they have bought 106 lakh bales out of projected production of around 310. So it is almost 33%, 34%.
- Krunal Shah:** 33%. So that they raised the price in the market and hence you also have to pay higher prices. That's the impact?
- Munish Avasthi:** Exactly. So whatever -- so the prices are pretty much close to MSP levels when the harvest comes. So the mills don't have an option but to buy from the market, whatever the prices might be. So that is when the problem comes. Right now, whatever the international prices are, so we will be much higher than the MSP. So right now, it looks good, but with international prices, you never know.
- Krunal Shah:** Right. Absolutely. Sir, second question was in this merger of group company that we are planning. I was just seeing the financials that you reported in the press release. So group companies have seen a decline in revenue over the 2-year period from FY23 to FY25. What would be the reason for the same? And what would be FY26 revenue numbers?
- Munish Avasthi:** So we were in the process of modernizing and weeding out -- basically, we were reengineering those units. So they were like -- one of them was shut down for 3, 4 months because of that. And there were a lot of capacities which were reengineering. So yes, there was a decline in the -- marginal decline in the total revenue. But going ahead, we see a healthy increase in revenue by at least 20% to 25% in this financial year.
- Krunal Shah:** So that you're talking about. Can you just share the FY26 revenue numbers for these companies?

- Munish Avasthi:** 26 number will be, I think, similar. It will be flattish.
- Krunal Shah:** Okay. And 20%, 25% from FY27 onwards. That's what the outlook is?
- Munish Avasthi:** FY27 now, we expect both the companies to grow by 15% to 20% at least.
- Krunal Shah:** Okay. Got it. And sir, that business, which is into dyeing or fabrics, that is only dyeing and not manufacturing the fabric, right? Just clarifying for that?
- Munish Avasthi:** So we manufacture a lot of fabric in our one company and it gets dyed in that company. So now most of the processes -- we manufacture fabric also, but only for in-house. So it is getting dyed in that company.
- Krunal Shah:** Okay. Got it. Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Anil Sharma. Please go ahead.
- Anil Sharma:** Sir my question is regarding our renewable energy investments that -- because as you said, we will be saving around INR14 crores to INR15 crores this year. How much we can increase? What is the -- any limit about that because it is very cheap, going forward also due to uncertainty. We are planning to invest more in this. Some color on this renewable energy and how much it will save in the years to come?
- Munish Avasthi:** So this is -- right now under Punjab policy, this is at most we can put under solar. So this is -- for this -- for our existing capacity, this is the highest we can go to. So this is 40 megawatt, which will be giving us around 7 crores unit every year at a price of INR3.70.
- Anil Sharma:** And for that, how much we will be saving?
- Munish Avasthi:** We'll be saving around, I think, INR2 per unit -- around -- about INR15 crores a year.
- Anil Sharma:** Okay. And in next year also, this will be the same, I think. If we go for the expansion of our new capacity, when it is installed, then, I think, it may be -- we can expand it. Is it so?
- Munish Avasthi:** So that -- in Odisha, we are anyway getting solar at a very lower price. So it won't be that beneficial to put a solar plant there. So we might put up a small one on our rooftop, but not ground solar. I think we won't need to put that.
- Anil Sharma:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Yash Mehta from SKP Capital. Please go ahead.
- Yash Mehta:** Thank you so much for the opportunity. So I have got a few questions. So firstly, the fourth quarter witnessed a noticeable improvement in profitability and margin performance. So kindly explain the key factors that contributed to this expansion. And it would be really helpful to understand the relative impact of elements such as better product mix, lower material cost, operating leverage or any one-off benefits during the quarter?

- Munish Avasthi:** So as we have answered in my previous caller and in my initial speech that it is the most important factor which has contributed and which is actually contributing to this demand. The demand that has been robust for last 2, 3 months and it continues to be. So that is the single most important factor which has helped the margins to expand.
- Yash Mehta:** Okay. Got it. And additionally, how should we view the sustainability of these margins going ahead?
- Munish Avasthi:** So we -- as I told previously also that we have a visibility for next two quarters. And then we see macro that the new FTAs coming in and our new capacities coming in. So we are pretty sure that we can maintain these margins and maybe expand long term.
- Yash Mehta:** Okay. And there was a forex-related mark-to-market impact during the quarter, which affected the profitability also. So could you help me understand what's the company's hedging policy and whether forex volatility remains a material earnings risk going forward?
- Munish Avasthi:** So we don't -- whatever we sell, we book the same day. So we don't keep any risk in our books. So it is just that when March 31 closed, the dollar closed at the highest level, all-time high levels. So anything which was yet to be shipped or yet to be received was mark-to-market.
- So that's why though it is a notional entry, but that is required to be made. And the impact will be reversed in this quarter if the rupee doesn't depreciate much more than this. But it all depends upon -- it's an entry which is adjusted as per the closing rate of dollar on the last day of the quarter.
- Yash Mehta:** Okay. Yes. Got it. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, we'll take that as the last question for the day. And I now hand the conference over to the management for closing comments.
- Munish Avasthi:** Thank you so much, everyone. It's always good to have a connect with all of you and see you in the next quarter. Thank you.
- Moderator:** Thank you. On behalf of Sportking India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.