

S.P.APPARELS LIMITED

AVINASHI



F.Y 2013-14

9th ANNUAL REPORT

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
S.P. APPARELS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **S.P. APPARELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 30 to the financial statements regarding the legal action against a bank. The ultimate outcome of the matter cannot presently be determined and no provision for liability or any consequential adjustment that may result has been made in the financial statements which have been reported in the previous year also.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).



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- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
Firm Registration No. 008072S



A handwritten signature in black ink, appearing to read "C.R. Rajagopal", written over a horizontal line.

C.R. Rajagopal
Partner
Membership No. 23418

Avinashi, 17th September, 2014

Deloitte Haskins & Sells

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business / activities / results during the year, clauses xiii, xiv, xix, xx of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
 - (a) The Company has granted loan to one party. At the year-end, the outstanding balances of such loan granted aggregated Rs. 111.74 Millions (number of party one) and the maximum amount involved during the year was Rs. 111.74 Millions (number of party one).



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- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
- (c) The receipts of principal amounts and interest have been regular/as per stipulations.
- (d) In respect of overdue amounts of over Rs. 1 lakh remaining outstanding as at the year-end, as explained to us, Management has taken reasonable steps for recovery of the principal amounts and interest.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has taken loans from four parties. At the year-end, the outstanding balances of such loans taken aggregated Rs. 327 Millions (number of parties 4) and the maximum amount involved during the year was Rs. 358.71 Millions (number of parties 4).
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
- (c) The payments of principal amounts and interest in respect of such loans are regular/ as per stipulations.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are, *prima facie* reasonable having regard to the prevailing market prices at the relevant time.



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- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the internal audit functions are carried out during the year by a Chartered Accountant appointed by the Management. The company has to enhance the scope of the internal audit in inventory and fixed assets accounting area, to commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 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 the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable, except for Advance tax under the Income tax Act amounting to Rs.19.70 Millions pertaining to the Financial year 2013-14
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Millions)
Income tax Act, 1961	Income tax	CIT Appeals (II)	2009-10	22.58
Income tax Act, 1961	Income tax	CIT Appeals (II)	2006-07	173.38
TNVAT Act	VAT	DC (Appeals)	2006-2012	10.78



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- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company had delayed in the repayment of dues to banks during the year. As at the year end the company has delayed in the repayment of Rs.64.40 Millions which has subsequently been made good. During the year, the Company has obtained approval from Andhra Bank for the reschedulement of the loan. The Company has not borrowed any amount from financial institutions and has not issued any debentures
- (xii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- (xiii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xvi) During the year the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) To the best of our knowledge and 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.

For DELOITTE HASKINS & SELLS
Chartered Accountants
Firm Registration No. 008072S




C.R. Rajagopal
Partner
Membership No. 23418

Avinashi, 17th September, 2014

S. P. APPARELS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

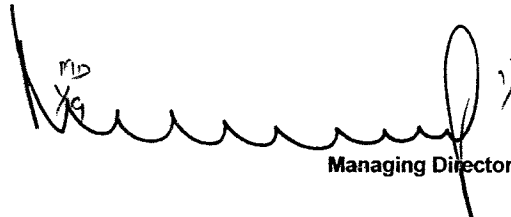
Particulars		Note No	As at 31st MAR, 2014 Rs in Millions	As at 31 March, 2013 Rs in Millions
A EQUITY AND LIABILITIES				
1. Shareholders' funds				
(a) Share capital		1	440.49	368.00
(b) Reserves and surplus		2	798.04	723.80
			1,238.53	1,091.80
2. Non-current liabilities				
(a) Long-term borrowings		3	883.71	971.49
(b) Deferred tax liabilities (net)		27	172.47	121.96
			1,056.18	1,093.45
3. Current liabilities				
(a) Short-term borrowings		4	1,728.29	1,626.12
(b) Trade payables		5	1,059.74	1,067.64
(c) Other current liabilities		6	419.72	667.69
(d) Short-term provisions		7	36.14	19.85
			3,243.89	3,381.30
TOTAL			5,538.60	5,566.55
B ASSETS				
1. Non-current assets				
(a) Fixed assets				
(i) Tangible assets		8	2,755.14	2,895.43
(ii) Intangible assets		9	20.32	25.59
(iii) Capital work-in-progress			-	-
			2,775.46	2,921.02
(b) Non-current investments		10	63.74	64.24
(c) Long-term loans and advances		12	317.59	275.62
			3,156.79	3,260.88
2. Current assets				
(a) Current investments		11	7.08	9.15
(b) Inventories		13	1,265.71	1,270.95
(c) Trade receivables		14	552.54	512.84
(d) Cash and bank balances		15	143.56	59.77
(e) Short-term loans and advances		16	404.67	450.58
(f) Other current assets		17	8.25	2.38
			2,381.81	2,305.67
TOTAL			5,538.60	5,566.55
See accompanying notes forming part of the financial statements				

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors


C R Rajagopal
Partner

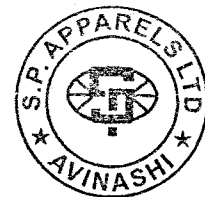



Managing Director


Executive Director

Place : Avinashi
Date : 17-09-2014

Place : Avinashi
Date : 17-09-2014



S. P. APPARELS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars		Note No.	31st MAR, 2014 Rs in Millions	31 March, 2013 Rs in Millions
A	REVENUE			
1	Revenue from operations (gross)	18	4,521.12	4,292.94
	Less: Excise duty		-	-
	Revenue from operations (net)		4,521.12	4,292.94
2	Other income	19	11.87	4.48
3	Total revenue (1+2)		4,532.99	4,297.42
4	Expenses			
	(a) Cost of materials consumed	20	1,753.45	1,600.33
	(b) Purchases of stock-in-trade (traded goods)	21	115.48	143.36
	(c) Changes in inventories of finished goods, work-in-	22	239.17	(11.33)
	(d) Employee benefits expense	23	801.17	815.49
	(e) Finance costs	24	355.63	346.28
	(f) Depreciation and amortisation expense	8,9	175.10	167.84
	(g) Other expenses	25	967.35	1,183.23
	Total expenses		4,407.35	4,245.20
7	Profit / (Loss) before tax (5 ± 6)		125.64	52.22
8	Tax expense / (benefit):			
	(a) Current tax expense		25.14	10.45
	(b) (Less): MAT credit		(25.14)	(10.45)
	(c) Wealth Tax		-	0.18
	(d) Short / (Excess) provision for tax relating to prior years		0.91	0.25
	(e) Deferred Tax	27	50.51	19.71
	Net tax expense / (benefit)		51.42	20.14
9	Profit / (Loss) for the Year (7 ± 8)		74.22	32.08
10	Earnings per share (of Rs 10/- each):			
	Basic & Diluted	35	4.42	1.91
See accompanying notes forming part of the financial statements				

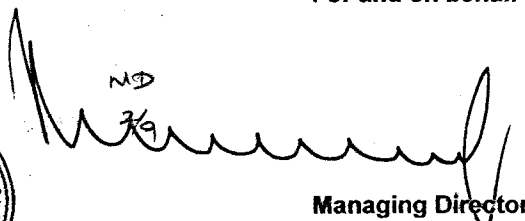
In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors


C.R. Rajagopal
Partner

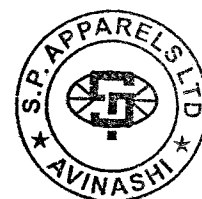


Place : Avinashi
Date : 17/09/2014


Managing Director


Executive Director

Place : Avinashi
Date : 17/09/2014



S. P. APPARELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Particulars		31st MAR, 2014 Rs in Millions	31 March, 2013 Rs in Millions
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		125.66	52.22
<u>Adjustments for:</u>			
Depreciation and amortisation expense		175.10	167.84
(Profit) / Loss on Sale of assets		(0.93)	0.61
(Profit) / Loss on Sale of investments		(0.29)	-
Bad debts written off		6.16	0.19
Provision for doubtful trade receivables		(10.24)	6.48
Finance costs		355.62	346.28
Provisions for MTM (Gain)/Loss on forward contracts		16.18	(36.82)
Dividend income		-	(0.73)
Interest income		(9.39)	(3.74)
Operating profits before working capital changes		657.88	532.34
<u>Changes in working capital:</u>			
<u>Adjustments for (increase) / decrease in operating assets:</u>			
Trade receivables		(35.61)	57.26
Short term and long term loans and advances		(6.28)	32.01
Inventories		5.25	(31.20)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>			
Trade payables/other current liabilities/short term provisions		(34.43)	226.11
Cash Generated from Operations		586.81	816.53
Net income tax (paid) / refunds		(3.93)	(11.18)
Net cash flow from / (used in) operating activities	(A)	582.88	805.35
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(77.91)	(80.05)
Proceeds from sale of fixed assets		12.85	6.23
Bank deposits not considered as cash equivalents		(78.85)	15.00
Proceeds from sale of Non current investments		2.86	0.05
Dividend received - Others		-	0.73
Interest received - Bank deposits		3.51	3.74
Net cash flow from / (used in) investing activities	(B)	(137.54)	(54.31)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Share Capital		72.49	-
Proceeds/(repayment) of long term borrowings		(239.41)	(408.85)
Proceeds/(repayment) of short term borrowings		102.17	23.53
Finance costs		(375.65)	(346.29)
Net cash flow from / (used in) financing activities	(C)	(512.88)	(731.61)
Net increase / (decrease) in Cash and cash equivalents	(A+B+C)	4.94	19.44
Cash and cash equivalents at the beginning of the year		30.75	11.31
Cash and cash equivalents at the end of the year		35.70	30.75
Cash and cash equivalents at the end of the year comprises of			
(a) Cash on hand		2.97	5.76
(b) Balances with banks			
in current account		32.73	24.99
in EEFC account		-	-
		35.70	30.75
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C R Rajagopal
Partner

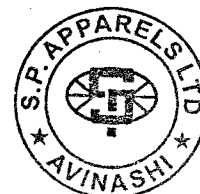


Place : Avinashi
Date : 17/09/2014

M.D. 3/9
Managing Director

ED 3/9
Katha Sundar
Executive Director

Place : Avinashi
Date : 17-09-2014



S. P. APPARELS LIMITED
Notes forming part of the financial statements

NOTE 1 SHARE CAPITAL

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs In Millions	Number of shares	Rs In Millions
(a) Authorised				
Equity shares of Rs. 10/- each with voting rights	2,00,00,000	200.00	2,00,00,000	200.00
10% Redeemable preference shares of Rs. 10/- each	2,00,00,000	200.00	2,00,00,000	200.00
6% Fully Convertible preference shares of Rs. 10/- each	72,50,000	72.50	-	-
	4,72,50,000	472.50	4,00,00,000	400.00
(b) Issued				
Equity shares of Rs. 10/- each with voting rights	1,68,00,000	168.00	1,68,00,000	168.00
10% Redeemable preference shares of Rs. 10/- each	2,00,00,000	200.00	2,00,00,000	200.00
6% Fully Convertible preference shares of Rs. 10/- each	72,50,000	72.50	-	-
	4,40,50,000	440.50	3,68,00,000	368.00
(c) Subscribed and fully paid up				
Equity shares of Rs. 10/- each with voting rights	1,68,00,000	168.00	1,68,00,000	168.00
10% Redeemable preference shares of Rs. 10/- each	2,00,00,000	200.00	2,00,00,000	200.00
6% Fully Convertible preference shares of Rs. 10/- each	72,49,454	72.49	-	-
	4,40,49,454	440.49	3,68,00,000	368.00
Total	4,40,49,454	440.49	3,68,00,000	368.00

Notes

i) Terms & Condition of Equity Share Capital

The Company has only one class of equity shares having a par facevalue of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

ii) Terms & Condition of 10% Redeemable Preference Share Capital

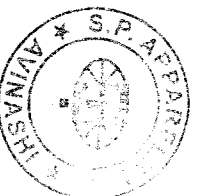
1. The Company has converted a part of the unsecured loans given by the directors as Redeemable Preference shares
2. The coupon rate is 10%;
3. The period of redemption is 10 years or as allowed by the Directors subject to liquidity;
4. The preference shares are of cumulative in respect of dividend payout;
5. The redemption shall be out of accumulated profits or out of fresh issue of shares.

iii) Terms & Condition of 6% Fully Convertible Preference Share Capital

Compulsorily convertible into equity shares of Rs 10/- each at a price of Rs 210/- (including a premium of Rs 200/-) to M/s Euro Asia Agencies Limited, Hongkong, after expiry of 36 months from the due date(24th July 2013) but before expiry of 60 months.

iv) Equity Share Holding In Excess of 5%

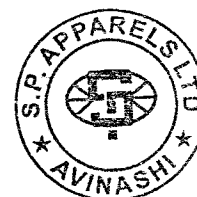
Particulars	31-03-2014		31-03-2013	
	No of Shares	%	No of Shares	%
P.Sundararajan - Managing Director	1,19,80,000	71.31%	1,19,80,000	71.31%
S.Latha - Executive Director	30,00,000	17.86%	30,00,000	17.86%
NYLIM - India Fund	18,00,000	10.71%	18,00,000	10.71%



S. P. APPARELS LIMITED

Notes forming part of the financial statements

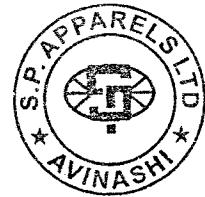
Particulars	As at 31st MAR, 2014 Rs in Millions	As at 31 March, 2013 Rs in Millions
NOTE 2 RESERVES & SURPLUS		
(a) Securities premium account		
Opening balance	333.19	333.19
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:		
Closing balance	333.19	333.19
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	390.61	358.54
Add: Profit / (Loss) for the year	74.24	32.07
Closing balance	464.85	390.61
Total:	798.04	723.80
NOTE 3 LONG TERM BORROWINGS		
(a) Term loans		
From banks		
Secured	556.61	713.30
Unsecured	-	-
(b) Loans and advances from related parties (Refer Note NO.41.2)		
Unsecured	326.10	256.19
(c) Long-term maturities of finance lease obligations		
Secured	-	-
(d) Other loans and advances		
Unsecured	1.00	2.00
	883.71	971.49
<p>- For Term loans, the first charge on fixed assets is given to respective banks. Second charge on the current assets been extended to the banks where ever possible. Where ever the first charge on the fixed assets are not provided to banks the promoters have provided their properties and personal gurantee as security.</p> <p>- Secured Term Loans from banks are repayable Monthly / Quarterly over a period of 7 Years.</p> <p>- Unsecured Loan from promoters are repayable after two years</p>		
NOTE 4 SHORT TERM BORROWINGS		
(a) Loans repayable on demand		
From banks		
Secured	1,728.29	1,626.12
Unsecured	-	-
Total	1,728.29	1,626.12
<p>Working Capital loans are secured by first charge on the current assets of and second charge on the fixed assets of the company in favour of lending banks on paripassu basis.</p>		



S. P. APPARELS LIMITED

Notes forming part of the financial statements

Particulars	As at 31st MAR, 2014 Rs in Millions	As at 31 March, 2013 Rs in Millions
NOTE 5 TRADE PAYABLES		
Trade payables:		
Acceptances	1,059.74	1,067.64
	1,059.74	1,067.64
NOTE 6 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	331.86	483.47
(b) Current maturities of finance lease obligations	-	0.63
(c) Interest accrued and due on borrowings	23.46	43.48
(d) Other payables		
(i) Statutory remittances	9.09	46.23
(ii) Payables on purchase of fixed assets	52.90	86.43
(iv) Trade / security deposits received	2.41	1.02
(v) Advance from customers	-	6.43
	-	-
Total	419.72	667.69
NOTE 7 SHORT TERM PROVISIONS		
(a) Provision for employee benefits:		
(iii) Provision for gratuity (net) (Refer Note No.38)	16.27	15.29
(b) Provision - Others:		
(i) Provision for tax (net of advance tax Rs.56,73,071/- (As at 31st March 2013 Rs.23,95,484)		
	19.87	4.56
Total	36.14	19.85



S. P. APPARELS LIMITED
Notes forming part of the financial statements

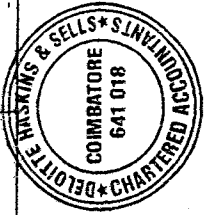
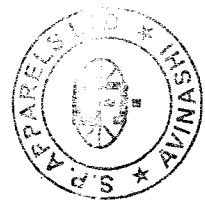
NOTE 8 TANGIBLE ASSETS

PARTICULARS	(Rs. in Millions)									
	AS AT 01/04/2013	ADDITIONS	DELETIONS	AS AT 31/03/2014	ACCUMULATED DEPRECIATION AS AT 1/4/2013	DEPRECIATION FOR THE YEAR	DEPRECIATION WITHDRAWN	ACCUMULATED DEPRECIATION AS AT 31/03/2014	Net Block 31/03/2014	Net Block 31/03/2013
Land - Free Hold	4.43	-	-	4.43	-	-	-	-	4.43	4.43
Land - Lease Hold (Refer Note 27)	(4.43)	-	-	(4.43)	-	-	-	-	12.14	12.27
Building	13.03	-	-	13.03	0.76	0.13	-	0.90	1,196.40	1,243.40
	(13.03)	-	-	(13.03)	(0.63)	(0.13)	-	(0.76)	1,196.40	1,243.40
Plant & Machinery	1,481.52	5.11	4.73	1,481.90	238.12	47.69	0.31	285.50	1,356.26	1,433.89
	(1,182.65)	(298.87)	-	(1,481.52)	(200.41)	(37.71)	-	(238.12)	1,356.26	1,433.89
Electrical Installations	2,054.01	24.75	9.70	2,069.07	620.13	96.45	3.77	712.81	33.58	35.62
	(2,038.86)	(25.68)	(10.53)	(2,054.01)	(528.48)	(95.90)	(4.25)	(620.13)	33.58	35.62
Furniture & Fittings	45.45	0.73	-	46.18	9.83	2.76	-	12.60	62.24	67.49
	(44.83)	(0.62)	-	(45.45)	(7.13)	(2.70)	-	(9.83)	62.24	67.49
Vehicles	98.94	2.48	-	101.41	31.45	7.72	-	39.17	13.11	18.79
	(96.47)	(2.79)	(0.33)	(98.94)	(24.00)	(7.53)	(0.07)	(31.45)	13.11	18.79
Lab Equipments	49.17	0.06	5.82	43.41	30.38	4.27	4.36	30.30	3.89	4.05
	(50.34)	(0.09)	(1.25)	(49.17)	(28.47)	(4.89)	(0.98)	(30.38)	3.89	4.05
Office Equipments	10.15	-	-	10.15	6.10	0.37	-	6.47	50.37	50.27
	(9.95)	(0.20)	-	(10.15)	(6.74)	(0.36)	-	(6.10)	50.37	50.27
Computer	84.90	3.98	-	88.88	34.63	3.88	-	38.51	22.91	25.23
	(81.80)	(3.11)	-	(84.91)	(30.88)	(3.76)	-	(34.64)	22.91	25.23
Total	3,946.40	41.45	21.43	3,966.42	1,050.96	169.83	9.51	1,211.26	2,755.14	2,895.43
Previous year	(3,614.21)	(344.60)	(12.40)	(3,946.41)	(893.94)	(162.59)	(5.56)	(1,050.97)	2,755.14	2,895.43

NOTE 9 INTANGIBLE ASSETS

PARTICULARS	(Rs. in Millions)									
	AS AT 01/04/2013	ADDITIONS	DELETIONS	AS AT 31/03/2014	ACCUMULATED DEPRECIATION AS AT 1/4/2013	DEPRECIATION FOR THE YEAR	DEPRECIATION WITHDRAWN	ACCUMULATED DEPRECIATION AS AT 31/03/2014	Net Block 31/03/2014	Net Block 31/03/2013
Good Will	40.15	-	-	40.15	21.31	4.01	-	25.33	14.82	18.84
	(40.15)	-	-	(40.15)	(17.30)	(4.01)	-	(21.31)	(18.84)	(22.85)
Brand / Trade Marks	17.16	-	-	17.16	10.41	1.25	-	11.66	5.50	6.75
	(17.16)	-	-	(17.16)	(9.16)	(1.25)	-	(10.41)	(6.75)	(8.00)
Total	57.31	-	-	57.31	31.72	5.26	-	36.99	20.32	25.59
Previous year	(57.31)	-	-	(57.31)	(28.46)	(5.26)	-	(31.72)	20.32	25.59

Note: Previous year figures are given in brackets



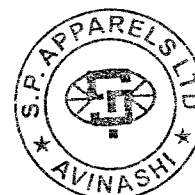
S. P. APPARELS LIMITED
Notes forming part of the financial statements

NOTE 10 NON CURRENT INVESTMENT

Particulars	As at 31st MAR, 2014	As at 31 March, 2013
	Rs in Millions Unquoted	Rs in Millions Unquoted
A TRADE		
(a) Investment in Equity Instruments (i) of subsidiaries 266,000 shares (As at 31st March 2013 266,000 Shares) of Rs.100/- each fully paid up	63.74	63.74
	63.74	63.74
B OTHER INVESTMENTS		
(a) Investment in Mutual Funds SBI Tax Advantage - Fund series	-	0.50
	-	0.50
Total	63.74	64.24

NOTE 11 CURRENT INVESTMENT

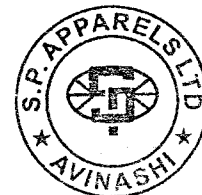
Particulars	As at 31st MAR, 2014	As at 31 March, 2013
	Rs in Millions Unquoted	Rs in Millions Unquoted
A CURRENT PORTION OF LONG TERM INVESTMENTS		
(a) Investment in mutual funds Milestone Real estate fund	7.08	9.15
Total	7.08	9.15



S.P. APPARELS LIMITED

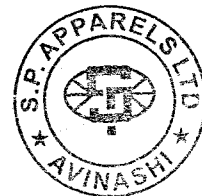
Notes forming part of the financial statements

Particulars	As at 31st MAR, 2014 Rs in Millions	As at 31 March, 2013 Rs in Millions
NOTE 12 LONG TERM LOANS AND ADVANCES		
(a) Capital advances		
Unsecured, considered good	21.77	18.84
(b) Security deposits		
Unsecured, considered good	52.24	43.72
(c) MAT credit entitlement		
Unsecured, considered good	58.15	33.01
(d) Balances with government authorities		
Unsecured, considered good	-	-
(i) VAT credit receivable	2.70	0.01
(ii) Income Tax Receivable	11.11	7.00
(e) Other loans and advances		
Unsecured, considered good (Refer Point No 29)	171.62	173.04
Total	317.59	275.62
NOTE 13 INVENTORIES		
(a) Raw materials	606.77	433.65
(b) Work-in-progress	413.36	674.93
(c) Finished goods (other than those acquired for trading)	48.75	27.91
(d) Stock-in-trade (acquired for trading)	57.72	56.16
(e) Stores and Consumables	139.11	78.30
(f) Loose tools	-	-
Goods-in-transit	-	-
(g) Others (Specify nature)	-	-
Goods-in-transit	-	-
TOTAL	1,265.71	1,270.95
DETAILS OF WORK IN PROGRESS		
(a) Garment	389.83	662.11
(b) Yarn	23.53	12.83
TOTAL	413.36	674.94
NOTE 14 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	26.25	34.48
Doubtful	-	-
	26.25	34.48
Less: Provision for doubtful trade receivables	-	10.24
	26.25	24.24
Other Trade receivables		
Unsecured, considered good	526.29	488.60
	526.29	488.60
TOTAL	552.54	512.84



S. P. APPARELS LIMITED
Notes forming part of the financial statements

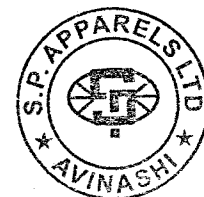
Particulars	As at 31st MAR, 2014 Rs in Millions	As at 31 March, 2013 Rs in Millions
NOTE 15 CASH AND BANK BALANCES		
A. Cash and cash equivalents		
(a) Cash on hand	2.97	5.76
(b) Balances with banks		
(i) In current accounts	32.73	24.99
(ii) In EEFC accounts	-	-
Total - Cash and cash equivalents (A)	35.70	30.75
B. Other bank balances		
(i) In earmarked accounts		
- Balances held as margin money or security against borrowings	107.86	29.02
Total - Other bank balances (B)	107.86	29.02
TOTAL	143.56	59.77
NOTE 16 SHORT TERM LOANS AND ADVANCES		
(a) Loans and advances to related parties		
Unsecured, considered good (Refer Point No 40)	111.74	106.60
(b) Security deposits	-	-
Unsecured, considered good	-	-
(c) Loans and advances to employees	-	-
Unsecured, considered good	7.65	5.65
(d) Prepaid expenses - Unsecured, considered good	7.40	8.58
(e) Balances with government authorities	-	-
Unsecured, considered good	-	-
(i) Export Incentives Receivables	133.04	124.99
(ii) VAT credit receivable	17.14	16.77
(iii) Service Tax credit receivable	0.01	0.61
(iv) Terminal excise duty receivable	-	1.83
(v) TUF receivable	36.25	43.28
(iv) Income Tax refund receivable	-	-
(f) Others	-	-
Unsecured, considered good	-	-
Advance to suppliers	70.80	105.45
Others	20.64	36.82
Total	404.67	450.58
17. OTHER CURRENT ASSETS		
(a) Accruals - Interest Accrued on Deposits	8.25	2.38
(b) Others	-	-
TOTAL	8.25	2.38



S. P. APPARELS LIMITED

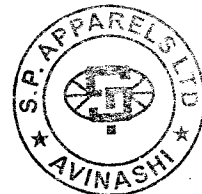
Notes forming part of the financial statements

Particulars		31st MAR, 2014 Rs in Millions	31 March, 2013 Rs in Millions
NOTE 18 REVENUE FROM OPERATIONS			
(a) Sale of Products		4,006.41	3,921.62
(b) Sale of Services		207.73	89.33
(c) Other Operating Revenues		306.98	281.99
		4,521.12	4,292.94
Less: Excise Duty		-	-
Total Revenue from Operations		4,521.12	4,292.94
(i) Sale of Products Comprises of			
Manufactured Goods			
Garments		3,350.35	3,366.40
Yarn		220.09	196.09
		3,570.44	3,562.49
Traded Goods			
Yarn		1.97	9.46
Fabric		276.36	144.44
Cotton Waste		6.31	4.16
Garments		151.33	201.07
		435.97	359.13
(ii) Sale of Services Comprises of			
Dyeing Charges Received		196.84	83.55
EMBROIDERY CHARGES RECEIVED		6.72	1.43
Printing Charges Received		2.61	2.84
Other Charges		1.56	1.51
		207.73	89.33
(iii) Other Operating Revenues			
Duty Draw Back and other Export Incentives		306.12	281.16
Sale of Scrap		0.76	0.08
Wind Power Generation		-	-
Others		0.10	0.76
		306.98	282.00
NOTE 19 OTHER INCOME			
(a) Interest Income		9.39	3.74
(b) Dividend income: others		-	0.73
(c) Other non-operating income (net of expenses directly attributable to such income)		2.48	0.01
	Total	11.87	4.48
(i) Interest Income Comprises:			
Interest from banks on: deposits		- 9.39	3.74
		9.39	3.74
(ii) Other Non - Operating Income Comprises:			
Rental income from investment properties		0.67	0.01
Profit on sale of fixed assets		0.93	-
Profit on Redemption of Investments		0.29	-
Miscellaneous income		0.59	-
		2.48	0.01

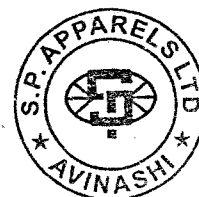


S. P. APPARELS LIMITED
Notes forming part of the financial statements

Particulars	31st MAR, 2014 Rs in Millions	31 March, 2013 Rs in Millions
NOTE 20 COST OF MATERIALS-CONSUMED		
Opening Stock	511.94	492.09
Add: Purchases	1,987.39	1,620.18
	2,499.33	2,112.27
Less: Closing Stock	745.88	511.94
Total	1,753.45	1,600.33
Purchases Comprises		
Yarn	528.34	504.51
Fabric	587.32	417.96
Accessories	191.44	162.18
Cotton	124.47	80.84
Chemical & Dyes	171.87	132.74
Packing Materials, Stores & Consumables	383.95	321.94
	1,987.39	1,620.17
NOTE 21 PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)		
Garments	115.48	143.36
Total	115.48	143.36
NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE		
<u>Inventories at the beginning of the year:</u>		
Finished goods	84.07	111.14
Work-in-progress	674.93	636.53
Waste Stock	-	-
	759.00	747.67
<u>Inventories at the end of the year:</u>		
Finished goods	106.47	84.07
Work-in-progress	413.36	674.93
Stock-in-trade	-	-
	519.83	759.00
Net (increase) / decrease	239.17	(11.33)
23. EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	672.44	661.52
Contribution to Provident Funds & other Employee Funds	41.05	58.85
Staff Welfare Expenses	87.68	95.12
Total	801.17	815.49



Particulars	31st MAR, 2014 Rs in Millions	31 March, 2013 Rs in Millions
24. FINANCE COSTS		
(a) Interest Cost on		
(i) Borrowings	294.84	334.99
(ii) Others Interest & Bank Charges	58.10	45.49
(b) Other Borrowing Cost	0.07	0.01
(c) Net (Gain)/ Loss on Foreign currency transactions and translations	2.62	(34.21)
Total	355.63	346.28
25. OTHER EXPENSES		
Fabrication Charges	41.68	31.19
Power & Fuel	187.75	253.62
Repairs & Maintenance - Building	8.01	13.36
Repairs & Maintenance - Machinery	52.05	46.68
Repairs & Maintenance - Others	18.35	15.17
Other Manufacturing Expenses	366.97	446.20
Payments to Auditors (refer note 25a)	2.11	1.29
Insurance	5.63	4.82
Legal & Professional Charges	11.76	5.75
Printing and Stationary	6.78	8.99
Telephone, Postage, Telegrams & Courier	4.56	4.23
Travelling and Conveyance	18.42	21.90
Factory Lease Rent	3.68	3.44
Rent	19.07	21.27
Rates & Taxes	13.27	9.42
Loss on Sale of Assets	-	0.61
Managerial Remuneration - Managing Director	4.80	4.80
Managerial Remuneration - Executive Director	3.60	3.60
Director Sitting Fees	0.13	0.09
Vehicle Maintenance	5.85	7.23
Miscellaneous expenses	14.82	10.58
Commission & Brokerage	3.69	2.55
Bad Debts written off	6.16	0.19
Donation (Refer Note 41)	0.76	0.50
Clearing , Forwarding & Freight	102.88	165.69
Discount & Allowance	13.02	33.03
Business Promotional Expenses	1.90	4.25
Other Selling expenses	8.59	9.55
Loss on Exchange Fluctuation (net)	35.12	83.57
Provisions for doubtful trade receivables	(10.24)	6.48
Provisions for MTM (Gain)/Loss on forward contracts	16.18	(36.82)
Total	967.35	1,183.23
25a. Payment to auditors Comprises:		
As auditors - statutory audit (including service tax)	1.12	1.12
For taxation matters	0.31	0.15
For other services	0.65	-
Reimbursement of expenses	0.03	0.02
	2.11	1.29



I. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they materialize.

Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date of commissioning.

Capital Work in progress includes building under construction, construction expenditure incurred thereon and interest on the funds deployed.

Depreciation on fixed assets is provided under straight line method as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

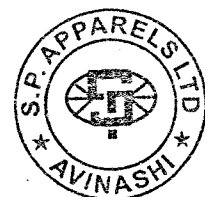
Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

Investments

Long term Investments are valued at cost, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at lower of cost and market value.

Inventories

Raw material, stores, consumables and packing materials are valued at cost. Work in progress is valued at cost and includes production overheads as estimated by the management. Finished goods are valued under absorption cost basis at lower of cost or net realisable value after providing for obsolescence and other losses wherever considered necessary. Fabric waste is valued at net realisable value.



Revenue Recognition

Revenue from sales are recognised net of returns, rebates and trade discounts, when risk and rewards of ownership of the goods are transferred to the customer, which generally coincides with dispatch of goods from factory.

Export incentives comprising mainly of duty drawback are recognised as revenue on accrual basis, wherever certainty of receipts and value thereof are known.

Revenue from job work undertaken is recognised on delivering the goods to the customer on completion of the work.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established.

Sale of Windmill power is recognized when invoiced.

Foreign Currency Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary foreign currency assets and liabilities are translated at the year end exchange rate. Resultant gains or losses are recognised in the Statement of Profit and loss.

The accounting standard AS 11 (Revised 2003) on the "Effects of Changes in Foreign Exchange Rates" which was amended with effect from April 1, 2004 provides guidance on accounting for Forward Contracts. The Institute of Chartered Accountants of India has clarified that AS 11 (Revised) is not applicable to the Forward Contracts which are for hedging highly probable forecasted transactions.

The company has entered into Forward Contracts which are designated as hedge of highly probable forecasted transactions. The Gains/Losses of Forward Contracts designated as Highly Probable Forecasted transactions are recognised in the Statement of Profit and loss in the period in which the forecasted transactions is expected to occur.

Employee Benefits

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Long Term:

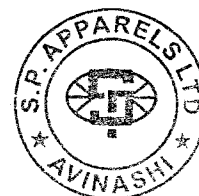
Post retirement benefits comprise of Provident Fund and Gratuity which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan, and contributions made to the Fund are charged to Statement of Profit and loss. The Company has no further obligations for future provident fund benefits other than monthly contributions.

ii) Gratuity - Funded

This is a defined benefit plan. The Company makes annual contribution to a Gratuity Fund administered by LIC. The liability is determined based on the actuarial valuation using projected



unit credit method. Actuarial gains and losses are recognised in full in Statement of Profit and loss for the period in which they occur. The Retirement Benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for un-recognised past service cost.

c) **Leave encashment:**

There is no scheme for encashment of un-availed leave on retirement. Leave encashment of employees are paid annually and provision is made on accrual basis.

Taxes on Income

Provision for tax includes provision for current income tax, deferred tax and wealth tax.

Provision for deferred tax is made for all timing differences arising between taxable incomes and accounting income at currently enacted tax rates. Deferred tax assets arising from timing differences and unabsorbed losses are recognised only where there is a virtual certainty that deferred tax assets can be realised against future taxable profits.

Provision for current tax is made for the tax payable under income tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance to the Indian tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax during the specified period. Accordingly, MAT credit is recognised as an asset in the Balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Intangible Assets

Intangible assets include software licenses, trademarks, patents and copy-rights. Software licenses are amortized over a period of five years. Trademarks, patents and copyrights would be amortized on a straight line basis over their expected useful lives.

Borrowing Costs

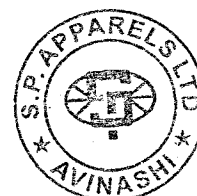
Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized (net of TUF Subsidy) till the month in which the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

Government grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which is intended to compensate. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the assets are recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.



Leases

Finance leases, which are effectively transfer to the company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense item in the Statement of Profit and loss on a straight line basis over the lease term.

Earnings per share

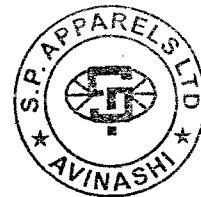
The earnings considered in ascertaining the company's EPS comprise the net profit after tax and includes the post tax effect of any extraordinary item. The number of shares used in computing the basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted EPS comprises of weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation as a result of the past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised, however contingent liabilities are disclosed in the notes on accounts.

Cash flow statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 – Cash flow Statement. Cash & cash equivalents for cash flow statement comprises cash at bank and in hand and bank deposits with a maturity of three months or less.



S.P. Apparels Limited

II - Notes forming part of the financial statements

Additional information to the financial statements

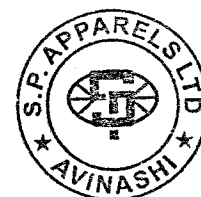
26) The company's buildings are located on own land and lease hold lands. The promoter director has executed lease deeds in favour of the company in respect of land measuring 34.37 acres for a period of 29 years. Of the 34.37 acres, the lease deed has been registered in respect of 28.93 acres and for the balance 5.44 acres registration remains to be effected.

The company's processing division building at Perundurai is located on lease hold land taken from SIPCOT for a period of 99 years. The company had acquired leasehold rights for land from SIPCOT which earlier stood in the name of M/s. Poornam Beverages Pvt Ltd for remaining period of 95 years. The building was taken on lease form M/s. Poornam Beverages Pvt Ltd.

27) The details of deferred tax are as given below:

(in Rs in Millions)

Particulars	DTA /(DTL) as on 01/04/2013	DTA (Charge) / Credit for the year	DTA /(DTL) as on 01/04/2014
Depreciation	(322.56)	(31.13)	(353.69)
Business Losses / Unabsorbed Depreciation	198.01	(22.30)	175.71
Others	2.58	2.92	5.50
Total	(121.98)	(50.51)	(172.48)



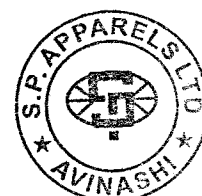
28) CONTINGENT LIABILITY

In Rs in Million

Particulars	31-03-2014	31-03-2013
(a) Outstanding Import Letter of Credit	-	70.43
(b) Outstanding Inland Letter of Credit	200.81	173.00
(d) Estimated amount of contracts remaining to be executed on the Capital Accounts(Tangible) and not provided for (Net of Advances) as confirmed by the management	14.86	26.06
(e) Income Tax Demand – disputed		
2006 - 07 – Gross	173.38	173.38
2009 - 10 - Gross(Rs 7 Million paid is grouped under Long term Loans and advances)	29.58	29.58
(f) VAT disputed - 2006 – 07 (Rs 2.6 Million paid in grouped long term loans and advances)	0.14	-
2007- 08	1.17	-
2008- 09	2.27	-
2009- 10	3.08	-
2010 – 11	2.56	-
2011 – 12		
Further cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities	1.56	-

29) Long term loans and advances include Rs. 168.70 Millions (Previous year Rs. 168.70 Millions) considered recoverable from a Bank in respect of payments made towards matured foreign currency contracts. The Company has filed a suit which is in the hearing stage. Based on similar instances and the industry wide representation on this matter, the management is of the opinion that no provision is considered necessary in the financial statements.

PARTICULARS (in Rs in Millions)	31-03-2014	31-03-2013
30) EARNINGS IN FOREIGN EXCHANGE		
Exports on FOB	3240.3	3,217.29
31) EXPENDITURE IN FOREIGN EXCHANGE		
Travelling Expenses	1.21	1.85
Professional Fees & Others	108.46	4.72
32) IMPORTS ON CIF BASIS		
Fabrics	26.08	46.78
Accessories & Packing Materials	102.75	106.48
Spares & Dyes	4.64	2
Capital Goods		2.85
33) RAW MATERIALS IMPORT VS INDIGENIOUS		
Imported	128.83	153.26
Indigenous	1974.04	1,610.27
Imported	6.12%	9%
Indigenous	93.88%	91%



34) In accordance with the notification No: GSR 719(E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, small & Medium Development Act, 2006. The management during their review has not identified any supplier covered under this Act.

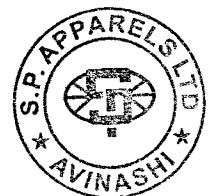
35) EARNINGS PER SHARE (EPS)

Particulars	31/03/2014	31/03/2013
Profit for the year attributable to equity shareholders	74.22	32.08
Weighted average number of equity shares (in millions)	16.80	16.80
Par Value per share	10.00	10.00
Basic & Diluted EPS (in Rs)	4.42	1.91

36) EQUITY INVESTMENT AND LOANS TO SUBSIDIARY COMPANY M/s CROCODILEPRODUCTS PRIVATE LIMITED

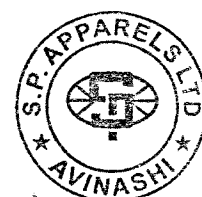
The company is carrying an equity investment of Rs 63.74 Million (previous year Rs. 63.74 million) in the above subsidiary company. Though the net worth of the Subsidiary is eroding due to losses of the past years, in the opinion of the Management, the investment made in the company is long and strategic.

The company has also advanced loans (including accrued interest & Trade deposits) of Rs. 111.74 million (Rs. 106.59 million), which the management is of the opinion that these dues can be recovered in the ordinary course of business, hence no provision considered necessary.



37) DISCLOSURE REQUIRED UNDER ACCOUNTING STANDRAD 15R NOTIFIED IN THE COMPANIES (ACCOUNTING STANDRADS) RULES, 2006 ARE GIVEN BELOW.

S.No	Particulars	Funded with LIC	Funded with LIC
		31-03-2014	31-03-2013
A	Changes in present value of obligation	(Rs. In Million)	(Rs. In Million)
	Present value of obligation as on 01st April	15.45	18.6
	Interest cost	1.5	1.55
	Current service cost	6.26	6.6
	Benefits paid	-2.38	-3.03
	Actuarial Gain/(Loss) on obligations	-1.98	-8.28
	Present value of obligation as on 31st March	18.85	15.45
B	Change in Fair Value of Assets during the year ended 31st March		
	Fair value of plan assets as at 1st April	0.16	2.91
	Expected return on plan assets	0.11	0.12
	Contributions made	4.76	0.19
	Benefits paid	-2.38	-3.03
	Actuarial Gain/(Loss) on plan assets	-0.07	-0.04
	Fair value of plan assets as at 31st March	2.58	0.16
C	Net Asset/(Liability) recognized in the Balance Sheet		
	Present value of obligation as on 31st March	18.85	15.45
	Fair value of plan assets as on 31st March	2.58	0.16
	Funded status surplus/(deficit)	-16.27	-15.29
	Unrecognised past service cost	-	-
Net Asset/(Liability) to be recognised in the Balance sheet	-16.27	-15.29	
D	Expenses recognized during year ended 31st March		
	Current service cost	6.26	6.6
	Interest cost	1.5	1.55
	Expected return on plan assets	-0.11	-0.12
	Actuarial Loss/(Gain) during the year	-1.91	-8.24
Expenses to be recognized in Statement of Profit and loss	5.74	-0.21	
E	Actuarial Assumptions		
	Discount Rate	9.15%	8.05%
	Expected return on Plan assets	0.00%	0.00%
	Rate of escalation in Salary	7.00%	6.50%
	Attrition rate	5.00%	5.00%
	Mortality - Indian Assured Lives Mortality (2006 - 08)		



The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand in the employment market.

The entire fund is fully managed by Life Insurance Corporation of India

38) SEGMENT INFORMATION

Segment Information	31/03/2014	31/03/2013
(a) Primary Segment by products		
The Company operates primarily in a single business segment of manufacture and sale of garments		
(b) Secondary Segment by Geographical area based on location of Customers		
Segment Revenue		
Outside India	3303.02	3,287.29
in India	1218.09	1,005.65
Segment Assets		
Outside India	427.01	430.31
in India	5111.60	5,136.25
Capital Expenditure- In India	41.45	344.89

39) DETAILS ON DERIVATIVE INSTRUMENTS (FOR HEDGING)

(a) MTM on FORWARD CONTRACTS

During the year the company has recognised Mark to Market gain on outstanding forward contracts amounting to Rs 20.64 Millions.

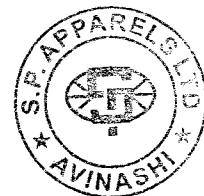


(b) Forward Contracts entered into by the company and outstanding as at 31/03/2014 for hedging currency related risks.

Particulars (in Millions)	Currency	Cross Currency	Buy/Sell	2013-14		2012-13	
				Amount in FC	Amount in INR	Amount in FC	Amount in INR
Forward Contracts	USD	INR	SELL	5.75	366.05	9.55	548.07
	EUR	INR	SELL	0.31	26.79	0.81	59.71
	GBP	INR	SELL	6.77	712.87	5.32	467.07

(c) Un hedged foreign currency exposures during the year is as follows

Particulars	Currency	31-Mar-14	31-Mar-13
Payables	USD	-	0.20
	EURO	-	0.10
	YEN	-	41.61
	CHF	-	0.01
Receivables	EURO	-	0.98

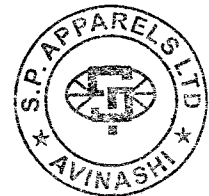


40) Related party transaction

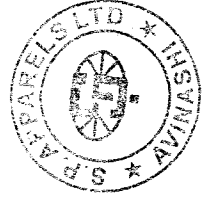
40-1 Details of related parties:

Name of Related Party	Nature of Relationship
Key Managerial Personnel P. Sundararajan S.Latha	Managing Director Executive Director(Wife of Mr.P. Sundararajan)
Relative of Key Managerial Personnel S.Shantha S.Chenduran P.Velusamy P.Ashokaraman	Daughter of Mr.P.Sundararajan Son of Mr.P.Sundararajan Brother of Mr. Sundararajan Brother of Mr. P. Sundararajan
Subsidiary Crocodile Products Private Limited	Subsidiary Company
Enterprises owned by relatives of Key Managerial Personnel SP Superfine Cotton Mills Private Limited Perumal Spinning Mills Private Limited	Enterprise over which relatives of Key Managerial Personnel are able to exercise significant influence. Enterprise over which relatives of Key Managerial Personnel are able to exercise significant influence.
Enterprises owned by Key Managerial Personnel Poornam Beverages Private Limited SP – Textiles SP – Lifestyles	Enterprise over which Key Managerial Personnel are able to exercise significant influence. Enterprise over which Key Managerial Personnel are able to exercise significant influence. Enterprise over which Key Managerial Personnel are able to exercise significant influence

Note: Related party relationship is as identified by the company on the basis of information available with the company and relied upon by the auditors.

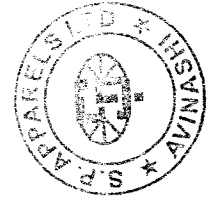
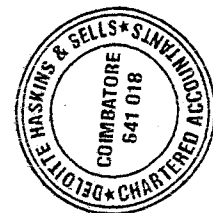


Transaction Details								
	Sale of Goods & Service		Purchase of Goods & services		Interest income on loans & Advances		Remuneration	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Subsidiary Company Crocodile Products P Ltd, Coimbatore	10.81	0.77	120.74	149.35		3.05		
Key Managerial Personnel Mr.P.Sundararajan Mrs. S.Latha				0.10			4.80 3.60	4.80 3.60
Relatives of key managerial personnel Mr.S.Chendhuran Mr.P.Ashokraman Mr.P.Velusamy								
Enterprises owned by KMP Poonnam Beverages P Ltd. S.P.Textiles S.P.Lifestyles			0.00	4.36				
Enterprises owned by relatives of KMP Perumal Spinning Mills P Ltd, Salem S.P.Superfine Mills P Ltd., Salem	0.08	0.05 0.07	0.01	5.00				



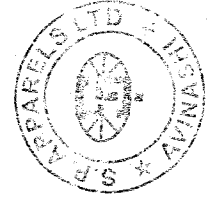
Transaction Details

	Lease Rent Paid		Lease Rent Received		Interest Expenses		USL Accepted/ Repaid	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2012	Accepted	Repaid
Subsidiary Company Crocodile Products P Ltd, Coimbatore			0.66	0.66				
Key Managerial Personnel Mr.P.Sundararajan Mrs. S.Latha	2.93 0.75	2.90 0.54					113.19 29.65	73.38 4.20
Relatives of key managerial personnel Mr.S.Chendhuran Mr.P.Ashokraman Mr.P.Velusamy							0.00	18.11
Enterprises owned by KMP Poornam Beverages P Ltd. S.P.Textiles S.P.Lifestyles	0.60	0.60						0.10
Enterprises owned by relatives of KMP Perumat Spinning Mills P Ltd, Salem S.P.Superfine Mills P Ltd., Salem					0	0.00		0
								0.00



Transaction Details

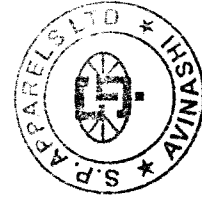
	Loans & Advances granted		Loans & Advances		Remuneration payable		Lease Rent payable	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Subsidiary Company Crocodile Products P Ltd, Coimbatore			15.05					
Key Managerial Personnel								
Mr. P. Sundararajan	24.08				0.23	3.22	2.41	6.89
Mrs. S. Latha	2.24				0.07	2.70	0.63	1.66
Relatives of key managerial personnel								
Mr. S. Chendhuran								
Mr. P. Ashokraman								
Mr. P. Velusamy								
Enterprises owned by KMP								
Poornam Beverages P Ltd.								
S.P. Textiles								
S.P. Lifestyles								
Enterprises owned by relatives of KMP								
Perumal Spinning Mills P Ltd, Salem								
S.P. Superfine Mills P Ltd., Salem								



	Outstanding Balances											
	Lease Rent security deposit		USL		Current a/c		Sundry Creditors		Sundry Debtors			
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013		
Subsidiary Company Crocodile Products P Ltd, Coimbatore									11.54	0.00	10.07	9.91
Key Managerial Personnel												
Mr.P.Sundararajan	4.22	4.22	302.42	230.85	(24.08)							
Mrs. S.Latha	0.78	0.78	37.25	8.10	(2.24)							
Relatives of key managerial personnel												
Mr.S.Chendhuran			10.25	10.25								
Mr.P.Ashokraman			2.50	2.50					0.04	0.04		
Mr.P.Velusamy									0.04	0.04		
Enterprises owned by KMP												
Poornam Beverages P Ltd.									2.05	2.09	17.37	
S.P.Textiles										2.05		
S:P.Lifestyles												
Enterprises owned by relatives of KMP												
Perumal Spinning Mills P Ltd, Salem									11.50	11.50	0.00	0.05
S.P.Superfine Mills P Ltd., Salem									0.01			

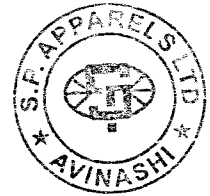


	Outstanding Balances			
	Inv't in Equity Shares		Loans & Advances	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Subsidiary Company Crocodile Products P Ltd, Coimbatore	0	63.74	111.74	96.69
Key Managerial Personnel Mr.P.Sundararajan Mrs. S.Latha				
Relatives of key managerial personnel Mr.S.Chendhuran Mr.P.Ashokraman Mr.P.Velusamy				
Enterprises owned by KMP Poornam Beverages P Ltd. S.P.Textiles S.P.Lifestyles			-2.97	0.44
Enterprises owned by relatives of KMP Perumal Spinning Mills P Ltd, Salem S.P.Superfine Mills P Ltd., Salem				



Note: Related party relationship is as identified by the company on the basis of information available with the company and relied upon by the auditors.

41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



37/

41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.