



S.P.APPARELS LTD.

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Phone : +91-4296-714000 E-mail : spindia@s-p-apparels.com
Web : www.s-p-apparels.com CIN No.: L18101TZ2005PLC012295



04th September, 2020

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

National Stock Exchange of India Limited
'Exchange Plaza',
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

Scrip Code: 540048

Symbol: SPAL

Dear Sirs,

Sub: Submission of Annual report for the Financial year 2019-2020.

Pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015, we are submitting herewith a copy of Annual Report of the Company for the Financial Year 2019-2020 alongwith AGM Notice

The said Annual Report of the Company for the Financial Year 2019-2020 alongwith AGM Notice have been sent to all the members at their email ids registered with the Company / Depository Participants on 04.09.2020. Further the same has also been uploaded in the Company's website at www.spapparels.com.

Kindly take the above information on record.

Thanking You,

For S.P.Apparels Limited,

K.Vinodhini
Company Secretary and Compliance Officer



S.P.APPARELS LIMITED

ANNUAL REPORT 2020



S.P. APPARELS LIMITED



CONTENTS

Chairman's message	2
Profile	4
Management Discussion And Analysis	5
Directors' Report	7
Business Responsibility Report	36
Corporate Governance Report	43
Standalone Financial	61
Consolidated Financial	124
Notice	188



S.P.APPARELS LIMITED



Chairman's Message

Dear Shareholders,

It is my privilege to share the 15th Annual Report of your Company. I hope this letter finds you and your family safe and in good spirits.

The FY 2019-20 has been a volatile & changing global scenario for the both the Industry and the Company. The onset of the COVID-19 pandemic in the final quarter of the year which ushered in a new reality for industries across the world. Last few months has been tough not only to your company, it has been a huge challenge to the whole humanity. Weathering this crisis has been a challenge and we are proud to inform you all that we have been able to ride over this crisis successfully without any major financial impact.

Performance on a Standalone basis:

Our company had recorded total revenue for FY 2019 - 20 of Rs 7821.18 Mns as against Rs 7815.56 Mns of last FY 2018 - 19. EBITDA for the FY 2019 - 20 recorded Rs. 1046.99 Mns as against Rs 1,340.60 Mns for the FY 2018 - 19 which de-grew by 21.91%. PAT for the FY 2019 - 20 recorded Rs. 440.27 Mns as against Rs 697.71 Mns which de-grew by 36.9%. EPS for the FY 2019 - 20 recorded at Rs. 17.14 as against Rs. 27.25 for the previous year.

Performance on a consolidated basis:

Our company had recorded total revenue for FY 2019 - 20 of Rs 8326.73 Mns as against Rs. 8298.16 Mns of last FY 2018 - 19. EBITDA for the FY 2019 - 20 recorded Rs. 1068.55 Mns as against Rs. 1372.77 Mns for the FY 2018 - 19 which de-grew by 22.16%. PAT for the FY 2019 - 20 recorded Rs. 469.19 Mns as against Rs. 733.71 Mns which de-grew by 36.05%. EPS for the FY 2019 - 20 recorded at Rs. 18.26 as against Rs. 28.66 for the previous year.

Forward Outlook Strategy

A robust, comprehensive business continuity plan as a response to disruptions due to Covid-19 with focus on customer engagement, continuous cost reduction, calibrated expansion plan, business strategy realignment, employee productivity and efficient utilization of IT-enabled systems.

Focus on liquidity management, capital preservation and operating leverage.

- Focus on calibrated growth and operating leverage.

- Maintain adequate capital and liquidity.
- Continued reduction in operating expenses.
- Improve margin profile, by change in product mix, improving production efficiency, reduction in overheads and efficient raw material consumption.
- Efficient use to technology and IT-enabled systems to increase the productivity and efficiency.

As we look ahead it is important to gauge COVID-19's unprecedented impact on the global economy, it is expected that global growth will contract by over 3% in 2020 the worst contraction since the 1930s. For the first time since the Great Depression both advanced and developing economies are in recession together.

We are confident in our ability to navigate this period through strong financial discipline a reduction in capital expenditure and cash flow management.

The health and safety of its workforce has always been paramount importance to S.P. Apparels Limited. We have been at the forefront of developing industry-specific protocols that can be a model—from testing parameters to contact tracing monitoring social distancing norms classifying employee risk levels and providing appropriate healthcare responses.

Within our communities we have played a key role in COVID-19 relief. We have provided support to nearly 2000 migrant workers and are continuing to provide support wherever possible.

Acknowledgement

On behalf of the Board of Directors, I wish to thank all the members of the senior management team, along with the each and every employee for their contribution to the success of the organisation and in helping in building a sustainable future together.

Sincerely

Mr. P. Sundararajan

Chairman and Managing Director





BOARD OF DIRECTORS

Mr. P. Sundararajan - Chairman and Managing Director
Mrs. S. Latha - Executive Director
Mr. S. Chenduran - Director (Operations)
Mr. V. Sakthivel - Independent Director
Mr. P. Yesuthasen - Independent Director
Mr. G. Ramakrishnan - Independent Director
Mr. A.S. Anandkumar - Independent Director

MANAGEMENT TEAM

Mrs. P.V. Jeeva - Chief Executive Officer - Garment Division
Mr. V. Balaji - Chief Financial Officer
Mrs. K. Vinodhini - Company Secretary and Compliance Officer

REGISTERED OFFICE

39-A, Extension Street,
Kaikattipudur,
Avinashi – 641 654, Tirupur District
COMPANY CIN : L18101TZ2005PLC012295

STATUTORY AUDITORS

ASA & Associates LLP
Chartered Accountants
Unit 709 & 710, 7th Floor,
'BETA Wing', Raheja Towers,
New Number 177, Annasalai,
Chennai – 600 002.

INTERNAL AUDITORS

Deloitte Touche Tohmatsu LLP
41, Shanmuga Manram,
Race Course, Coimbatore – 641018.

SECRETARIAL AUDITORS

M.D. Selvaraj
MDS & Associates
Coimbatore - 641 028

BANKERS

State Bank of India, Coimbatore
IDBI Bank Limited, Coimbatore
Allahabad Bank, Tirupur
The Hongkong and Shanghai Banking Corporation Limited

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
No. 35, Surya, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayalam Road,
Coimbatore – 641028
Phone: 0422 – 2314792
Email id: Coimbatore@linkintime.co.in



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OUTLOOK

The widespread impact of the Covid-19 pandemic across regions has materially altered the demand-supply scenario for the global apparel trade in CY2020. Covid 19 led to a significant decline in demand from the key consuming regions of the US and the EU. It also impacted the ability of supplying regions to sustain operations, given the labour - intensive nature of operations. The immediate impact aside, recovery was expected to be gradual. On the demand side, consumer reluctance to visit crowded places, despite lockdowns being lifted, is keeping footfalls subdued in offline retail. Also, overall pressure on corporate performance, which has triggered job losses and pay cuts across sectors, as well as the overall stress in the economy are affecting discretionary consumer spending in the near term, resulting in deferment of purchases and affecting demand for apparels.

Global Apparel Trade: Global apparel trade witnessed a marginal ~1% YoY contraction in CY2019E, following a ~5%YoY growth reported earlier in CY2018. The decline was driven by subdued demand trends in the EU, even as apparel imports by the US stood ~1% higher on a YoY basis. However, apparel imports by the US, which accounts for a one-fifth share in the global apparel trade, witnessed a sharp ~ 10.7% YoY decline in January 2020, while imports by the EU declined by ~4% YoY. Apparel imports by the US de-grew by ~11% YoY in February 2020 and ~15% YoY in March 2020, followed by a step de-growth of 44%.6% and 60.1% YoY in April and May 2020, respectively (February-May 2020 data for EU is not yet published). Further, with lockdown in India from March 25, 2020 onwards, US imports from India also decline steeply by ~46% YoY and ~ 84 YoY in US\$ terms and by ~42% and ~83% in volume terms in April and May 2020 respectively.

Overall in 5M CY2020, US' apparels imports declined by ~27-28% on a YoY basis in US\$ terms, as well as in volume terms. While US' apparel imports from India also declined by ~26-27% YoY in 5M CY2020 in volume as well as value (USD) terms, US imports from China declined at a higher rate of ~40% YoY in volume terms and by ~49% YoY in US\$ terms during the same period amid trade tensions. It is pertinent to note that during the recent months, the average sales realizations for apparel imports by the US have also shrunk. The realizations declined by ~6.7% and ~3.4% in April and May 2020 respectively.

India's apparels export: A gradual pick up in demand has been observed during May- June 2020, owing to easing of lockdown restrictions in India as well as globally and following a threefold increase in May 2020 from the low of USD 0.13 billion in April 2020, exports jumped threefold in May 2020. In June 2020, India's apparel exports increased for the second consecutive month by ~56% to USD 0.8 billion. Nevertheless, the exports remained ~35% lower YoY in June 2020 in USD terms. In April and May 2020, India's apparel exports had fallen by ~91% and 66% YoY respectively. Overall, in the first three months of the current fiscal, India's apparel exports dropped by ~65% on a YoY basis. To contain the spread of the pandemic, India implemented a nation wide lockdown wef March 25, 2020. Most textile companies remained shut during April 2020, barring a few which resumed operations after taking requisite approvals from the authorities. As manufacturing operations remained curtailed, shipments/ dispatch of ready materials from India were affected, thereby resulting in a steep decline in exports during the month. However, with resumption of operations towards mid-May, and gradual ramp-up thereafter owing to lifting of restrictions across regions, exports witnessed a sequential improvement in the last two months. Demand, however, remained subdued. Seven of India's top apparel export centres which account for nearly half of India's total apparel exports, are among the regions worst affected by Covid-19 pandemic. As a result, the domestic apparel sector is witnessing significant turbulence and the ongoing Spring-Summer Season 2020 (which typically ends in August) has been adversely impacted. Despite a gradual opening up of markets across the globe, apparel exporters have witnessed deferment of orders/ order cancellations owing to overall slowdown in consumer discretionary spending in the key buying markets of the US and the EU.

In FY2020, India's apparel export were down by ~4% YoY in USD terms, following a 3.4% YoY decline in FY2019. In rupee terms, in FY 2020 the decline in India's apparel exports was relatively lower at ~2.5% YoY FY 2020, vis-à-vis a 4.6% YoY growth in FY 2019, owing to sharp rupee depreciation in the past two years. While exports to the US continued to grow in FY 2020, the same was more than offset by a decline in exports to the EU. In the current fiscal, while the overall apparel imports by the US declined by ~53% on a YoY basis

MANAGEMENT DISCUSSION AND ANALYSIS

in April and May 2020, US imports from India declined by a steeper ~64% YoY, as manufacturing operations remained curtailed in India due to the nationwide lockdown.

COMPANY OVERVIEWS

SPAL is one of the leading manufacturers and exporters of knitted garments for infants and children. It has long standing relationships with reputed international brands and is a preferred vendor. Currently operates 23 factories in close proximity to key sources of raw materials and skilled labor. SPAL's facilities are equipped with advanced manufacturing machineries with latest technology and automation. The Company has demonstrated ability to set up integrated facilities to scale-up operations.

RISKS AND THREATS

1. Increasing Cost of Raw Materials:

Cotton prices in India remain high. While the international cotton prices came down by more than 25%, Indian cotton prices came down only by 8%, mainly on account of higher support price fixed by government.

2. Competition from neighbouring Countries:

India's competitiveness in the global apparel trade is challenged by lack of scale in garment manufacturing, Seasonality, limited product categories, inadequate capability in the synthetic value chain, limited number of preferential trade agreements, etc.

China has retained its top ranking and is far ahead of its competitors with major share of international apparel trade. China, Bangladesh, Vietnam, Sri Lanka, Cambodia, Indonesia and India are the key exporters of Garments. The opportunities for Indian exporters for sourcing orders remains subdued in the absence of adequate trade agreements providing preferential status, a privilege enjoyed by exporters from other competing countries.

3. Withdrawal of Government Grants:

Government Grants and subsidies for exports and imports are always subject to risk. Withdrawal of subsidies by the Government will have a negative impact on the bottom line of the Company.

DISCUSSION ON FINANCIAL PERFORMANCE ON A CONSOLIDATE BASIS:

Our company had recorded total revenue of Rs. 8326.73 Mns, EBITDA Rs. 1068.55 Mns and PAT Rs. 469.19 Mns for the FY 2019 - 20.

INTERNAL CONTROL

The Company has a proper and adequate internal control systems to ensure that all assets are safeguarded and protected against unauthorised use or disposition and the transactions are authorised, recorded and reported correctly.

Key Financial Ratios

(Explanations for significant change i.e. change of 25% or more as compared to the immediately previous financial year)

Key Financial Ratios	2019-20	2018-19	% of change	Explanation for the change
Debtors Turnover	0.14	0.16	-14.92%	NOT APPLICABLE
Inventory Turnover	0.31	0.30	4.52%	NOT APPLICABLE
Current Ratio	1.57	1.46	7.57%	NOT APPLICABLE
Interest Coverage Ratio	0.35	18.65	98.10%	Change due to foreign Currency restatement
Debt Equity Ratio	0.41	0.44	-6.06%	NOT APPLICABLE
Operating Profit Margin (%)	8.35	16.54	-49.50%	Reduction in margin due to MEIS withdrawal by the Government & Currency High Volatility
Net Profit Margin (%)	5.81	8.84	34.32%	Reduction in margin due to MEIS withdrawal by the Government & Currency High Volatility

DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present the 15th Annual Report on the business and operations of the Company together with the Audited Financial Statements (Standalone & Consolidated) for the year ended 31st March, 2020. The Management Discussion and Analysis is also included in this Report.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2020 is summarised below:

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Sales and other income				
Revenue from Operations	7583.10	7,781.42	8089.66	8,263.76
Other Income	238.08	34.14	237.07	34.40
Total	7821.18	7,815.56	8326.73	8,298.16
Profit before Interest & Depreciation	1046.98	1,340.60	1068.55	1,372.77
Less : Interest	224.20	60.81	227.81	62.44
Depreciation	316.32	232.79	299.34	215.88
Profit Before Exceptional Item	506.46	1,047.00	541.4	1,094.45
Exceptional Item	97.31	-	97.31	-
Profit Before Tax	409.15	1,047.00	444.09	1,094.45
Less : Taxation				
Provision for Current Tax	102.98	362.08	105.98	367.75
MAT Credit	-	-	(0.43)	(0.89)
Deferred Tax Expenses / (Credit)	(134.10)	(12.79)	(130.65)	(6.13)
Profit After Tax	440.27	697.71	469.19	733.72
Other comprehensive Income (Net of tax)	74.55	40.30	(74.55)	40.30
Minority Interest		-	0.37	0.61
Total Comprehensive Income	365.72	738.01	395.01	774.63

Review of Operations:

Garment Division:

FY 20 had been a very tough year. The covid-19 pandemic has paused the growth plans of the Company even as it unsettled the global economies. With grit and determination your Company has tackled the situation and successfully managed the issues caused by the pandemic.

Your Company has consolidated small and remote factories during this pandemic time, and this will improve our supply chain management and help improve the margins.

Our customers are intact and the demand is bound to improve

as the economy opens up.

Retail Division

The strategy in retail division during the FY 2019 - 20 was to consolidate rather than expand. During the financial year 2020 - 21 your Company is planning to improve the distributor base and the product mix which will go to enhance revenues in the years to come.

SP UK

Britain has also been impacted by the Covid-19 pandemic, We are looking at improving our supplier base by lining up more factories from Bangladesh & Srilanka.

DIRECTORS' REPORT (CONTD.)

DIVIDEND

Considering the uncertainties in the market and the need to conserve cash as the Company grapples with the Covid-19 pandemic, your Board of Directors has not recommend any dividend on the equity shares of the Company for the financial year 2019-2020.

RESERVES & SURPLUS

As at March 31, 2020 the Company had reserves of Rs. 4963.30 million. During the year under review the company has transferred Rs. 365.72 Million to Other Equity (General reserve)

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend, the provisions of Section 124 & 125 of the Companies Act, 2013 relating to transfer of Unclaimed dividend to Investor Education and Protection fund do not apply.

SHARE CAPITAL

The issued, subscribed and paid up share capital of the Company as at 31.03.2020 stood at Rs.25,69,26,000/- divided into 2,56,92,600 Equity Shares of Rs.10/- each.

During the financial year under review, the Company has reclassified 2,00,00,000 (Two Crores) Preference shares of Rs.10/- each in the Authorised capital into 2,00,00,000 (Two Crores) Equity shares of Rs.10/- each. After reclassification, the Authorised share capital of the Company is 4,72,50,000 (Four Crores Seventy-Two Lakhs Fifty Thousand) equity shares of Rs. 10/- each.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92 (3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is annexed as Annexure-A to this report and the same has been hosted on the website of the Company and can be viewed at <http://www.s-p-apparels.com/>

CAPITAL EXPENDITURE

As on 31st March, 2020, the gross fixed assets block stood at Rs.6521.05 Million and net fixed assets block at Rs.3981.87 Million. Additions to Fixed Assets during the year amounted to Rs. 576.17 Million.

BOARD AND COMMITTEE MEETINGS

The details of meetings of Board of Directors and Committees thereof and the attendance of the Directors in such meetings have been furnished in the Corporate Governance Report.

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards. Such systems are found to be adequate and are operating effectively. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of the meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors laid down internal financial controls to be followed by the Company and such internal financial control were adequate and operating effectively and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DIRECTORS' REPORT (CONTD.)

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, they have also declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

Board of Directors have evaluated the Independent Directors appointed/ re-appointed during the year 2019-20 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors are satisfactory.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and senior management. The Nomination and Remuneration Policy of the Company can be accessed on the Company's website at the link <http://www.s-p-apparels.com/>

COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. ASA & Associates LLP, Statutory Auditors and Mr.M.D.Selvaraj, proprietor of MDS & Associates, Secretarial Auditor in their respective reports.

MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The maintenance of cost record as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is applicable to the Company and accordingly the cost accounts and records are made and maintained. However, the appointment of Cost Auditor under the provisions of Section 148 is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has duly complied with the provisions of section 186 of the Companies Act 2013 and as required therein the details of the loans is annexed by way of notes to accounts. And also, the details of the loans and investments made in earlier years are given in the Notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year 2019-20 were in the ordinary course of business and on an arm's length basis. Since there are no transactions which are not on arm's length basis and material in nature the requirement of disclosure of such related party transactions in Form AOC-2 does not arise.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at <http://www.spapparels.com/>

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Due to outbreak of Covid-19 pandemic and based on the directives of the Government of India, Government of Tamilnadu the operations of the Company was suspended on 21st March 2020 and resumed on 11th May 2020, in phased manner with minimal work force by following requisite precautions/guidelines. This has impacted the Turnover and Profitability of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy,

DIRECTORS' REPORT (CONTD.)

technology absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure-B and is attached to this report.

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Rules 2015, the Company has framed an effective Risk Management policy in order to analyse, control or mitigate risk. The board periodically reviews the risks and suggests steps to be taken to control the same.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Corporate Social Responsibility Committee consisting of Directors Mr.P.Sundararajan - Chairman, Mrs.S Latha and Mr.V Sakthivel as members of the committee have formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, which has been approved by the Board. The CSR policy may be accessed on the Company's website <http://www.s-p-apparels.com>.

The prescribed (two percent of the average net profit of the Company for last 3 financial years) CSR expenditure for the year 2019-2020 is Rs.14.22 Million. The Company is required to spend Rs.24.76 Million towards CSR (Rs. 14.22 Million as 2% average net profit for last three financial years plus Rs.10.54 as carried forward amount of FY 2014-15 to 2018-19). During the year the Company has spent Rs.15.86 Million towards CSR Activities. The annual report on CSR activities is annexed in Annexure-D herewith.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the provisions of the Companies Act, 2013. They are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard. The Consolidated Financials also show a significant increase in Revenues as well as Profitability.

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS

In accordance with the evaluation criteria and procedure

suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of non-independent directors and the Board as a whole based on various criteria. The performance of each independent Director was evaluated by the entire board of directors on various parameters like engagement, leadership, analysis, decision making, communication, governance etc. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

The performances of all the Committees were evaluated by the Board having regard to various criteria such as committee composition, committee, processes, committee dynamics, degree of fulfillment of key responsibilities, effectiveness of meetings etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr.S.Chenduran (DIN: 03173269) as Director (operations), retires by rotation at the Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend his re-appointment.

The members at the Annual General Meeting held on 20th September, 2019 re-appointed Mr.V. Sakthivel(DIN: 00005720) as Independent Director of the Company for a second term of 5 years with effect from 30th March 2020.

Mr.S.Chenduran has been re-appointed as Whole time Director (designated as Director operations) of the Company for a further period of three years with effect from 30th March 2020 and the Company had obtained the approval of the members at the Annual General Meeting held on 20th September 2019.

The Board at its meeting held on 2nd September 2020 has re-appointed Mr.P.Sundararajan (DIN: 00003380) as Chairman and Managing Director of the Company for a further period of 5 (Five) years with effect from 21st November 2020 and Mrs.S.Latha (DIN: 00003388) as Executive Director for a further period of 5 (Five) years with effect from 16th August 2021. Accordingly, necessary resolutions proposing the re-appointments have been included in the Agenda of the Notice

DIRECTORS' REPORT (CONTD.)

convening the Annual General Meeting for the approval of the members.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on 2nd September, 2020, has recommended the re-appointment of Mr.A.S.Anandkumar (DIN : 00058292) as Independent Director of the Company for a second term of 5 consecutive years with effect from 13th November, 2020, subject to the approval of the members by way of passing a special resolution at the ensuing Annual General Meeting. The Board has also received declaration from the appointee Independent Director that he fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr.A.S.Anandkumar will attain the age of 75 years on 10th July, 2022 and hence, continuation of his directorship beyond the age of 75 years requires the approval of members by way of a special resolution. Accordingly, the Board recommends his re- appointment.

A brief resume, details of expertise and other Directorships/ Committee memberships held by the above Director, form part of the Notice convening the 15th AGM of the Company.

On recommendation of nomination and remuneration committee, the board appointed Mr. C.R.Rajagopal (DIN: 08853688) and Mrs. H. Lakshmi Priya (DIN: 08858643) as additional directors with effect from 2nd September 2020 with an intention to appoint them as the independent directors. The company has received notice from the members under Section 160(1) signifying their intention to propose the candidature of Mr. C.R.Rajagopal (DIN: 08853688) and Mrs. H. Lakshmi Priya (DIN: 08858643) for the office of independent directors. The company has also received declaration from the appointee directors that they fulfil the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The board of directors recommends the appointment of the independent directors.

Key Managerial Personnel of the Company as required pursuant to Section 2 (51) and 203 of the Companies Act, 2013 are

Mr.P.Sundararajan	- Chairman and Managing Director,
Mrs.S.Latha	- Executive Director
Mr.S.Chenduran	- Director (Operations)
Mr.V.Balaji	- Chief Financial Officer and
Mrs.K.Vinodhini	- Company Secretary.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has two subsidiary companies viz. Crocodile Products Private Limited and S.P.Apparels (UK) Private Limited.

The consolidated financial statements of the company and its subsidiaries were prepared in accordance with the applicable accounting standards have been annexed to the Annual Report.

The annual accounts of the subsidiary companies are posted on the website of the Company viz. <http://www.s-p-apparels.com/>.

A report containing the salient features of the subsidiaries as required under Section 129(3) of the Companies Act 2013 has been annexed herewith in AOC - 1 and is attached as Annexure-E to this report.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy may be accessed at: <http://www.s-p-apparels.com/>.

The Company does not have Joint Venture or Associate Company.

FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Chapter V of the Companies Act, 2013 and the Rules framed there under and there are no outstanding fixed deposit from the public as on 31st March 2020

FINANCE

Prompt repayments, facilitated by healthy cash flows, elevated the standing of your Company. It enabled prudent

DIRECTORS' REPORT (CONTD.)

application of funds and better negotiation strength. This trend is expected to continue.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

No significant and material order was passed by any Regulators that have any impact on the going concern status and the operations of the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit Committee of the Board periodically reviews the Internal Financial Control Systems and their adequacy and recommends corrective action as and when necessary to ensure that an effective internal control mechanism is in place.

The directors confirm that the Internal Financial Control (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Control is annexed with the Auditors Report.

AUDITORS

a) STATUTORY AUDITORS

M/s. ASA & Associates LLP, Chartered Accountants, Chennai were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting of the Company held on 11th August 2017. The Company has received a certificate from the Statutory Auditors to the effect that their appointment as the Statutory Auditors of the Company, would be within the limits prescribed under section 139 of the Companies Act, 2013.

b) SECRETARIAL AUDITOR

The Board has appointed Sri.M.D.Selvaraj of M/s. MDS & Associates, Company Secretaries in Practice, Coimbatore as the Secretarial Auditors of the Company for the year 2020-21 to carry out the Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013.

The report of the Secretarial Auditors for the financial year

2019-20 is annexed as Annexure-F to this Report.

c) INTERNAL AUDITOR

The Board had appointed M/s. Deloitte Touche Tohmatsu LLP, Coimbatore as Internal Auditors for the financial year 2020-21.

EMPLOYEE WELFARE

The Employee Welfare Initiatives and practices followed by the Company is among the best in the Corporate sector. The Company employs close to 11923.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to define the policy and redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee or third parties during the Financial Year 2019-20.

PARTICULARS OF EMPLOYEES

Statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975 and Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to Annexure-G attached to this report.

CORPORATE GOVERNANCE

A report on Corporate Governance is annexed and forms part of this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors has been duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. Details relating to the

composition, meetings and functions of the Committee are set out in the Corporate Governance Report forming part of this Annual Report. The Board has accepted the Audit Committee recommendations during the year whenever required and hence no disclosure is required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by the Board.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behaviour or any violation of the Company's Code of Conduct. During the year under review,

there were no complaints received under this mechanism. The policy can be accessed on the Company's website at <http://www.s-p-apparels.com/>

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation, for the contribution made by all the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, suppliers and bankers for their continued support and faith reposed in the Company.

For and on behalf of the Board of Directors

P. Sundararajan
Chairman and Managing Director
DIN : 00003380

S. Latha
Executive Director
DIN : 00003388

Place : Avinashi
Date : 02.09.2020

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Annexure - A

FORM No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:		
1	CIN	L18101TZ2005PLC012295
2	Registration Date	18.11.2005
3	Name of the Company	S.P.APPARELS LIMITED
4	Category / Sub-Category of the Company	Company Limited by shares / Non-Government Company
5	Address of the Registered office and contact details	39-A, Extension Street, Kaikattipudur Avinashi Tirupur District - 641 654 Phone: +91-4296-714000 E-mail : spindia@s-p-apparels.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road Coimbatore 641 028 Phone: 0422-2314792, 2315792 Email ID: coimbatore@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
S. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturing / Trading of Garments	14101	91.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary or associate companies.

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

S No	Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
[1]	Indian									
(a)	Individuals / HUF	15834494	-	15834494	61.63	15837634	-	15837634	61.64	0.01
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other - Trust	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	15834494	-	15834494	61.63	15837634	-	15837634	61.64	0.01
[2]	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Others - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	15834494	-	15834494	61.63	15837634	-	15837634	61.64	0.01
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds	3390397	-	3390397	13.19	3508757	-	3508757	13.65	0.46
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	1763361	-	1763361	6.86	1609732	-	1609732	6.26	(0.59)
(f)	Financial Institutions / Banks	15122	-	15122	0.058	6625	-	6625	0.02	(0.03)
(g)	Insurance Companies	-	-	-	-	424919	-	424919	1.65	1.65
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Others (Specify)									
	Sub Total (B)(1)	5168880	-	5168880	20.11	5550033	-	5550033	21.60	1.48

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

S No	Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
(2)	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	1096856	-	1096856	4.26	454624	0	454624	1.76	(2.49)
(ii)	Overseas	-	345212	345212	1.34	-	345212	345212	1.34	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2090813	10	2090823	8.13	2387167	10	2387177	9.29	1.15
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6,11,005	-	6,11,005	2.37	759886	-	759886	2.95	0.57
(c)	Others									
(i)	Clearing Member	155237	-	155237	0.60	16047	-	16047	0.06	(0.54)
(ii)	NRI	257263	-	257263	0.99	225076	-	225076	0.87	(0.12)
(iii)	HUF	118284	-	118284	0.46	110849	-	110849	0.43	(0.02)
(iv)	Market Maker	-	-	-	-	-	-	-	-	-
(v)	Any Other	-	-	-	-	-	-	-	-	-
	NBFCs registered with RBI	250	-	250	0.001	-	-	-	-	(0.0010)
	Trusts	14296	-	14296	0.055	6062	-	6062	0.02	(0.03)
	Sub Total (B)(3)	434404	345222	4689226	18.25	3959711	3,45,222	4304933	16.75	(1.49)
	Total Public Share-holding (B)=(B)(1)+(B)(2)+(B)(3)	9512884	345222	9858106	38.36	9509744	345222	9854966	38.35	(0.01)
	Total (A) + (B)	25347378	345222	25692600	100.00	25347378	345222	25692600	100.00	0.00
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-
1	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	25347378	345222	25692600	100.00	25347378	3,45,222	25692600	100.00	

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

ii) Shareholding of Promoters

S No	Shareholder's Name	No. Of shares held at the beginning of the year (as on 01.04.2019)			No. Of shares held at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of shares held	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of shares held	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	P.SUNDARARAJAN	1,27,84,273	49.76	-	1,27,84,273	49.76	-	0
2	S.LATHA	30,24,509	11.77	-	30,24,509	11.77	-	0
3	S.CHENDURAN	25,712	0.10	-	28,852	0.11	-	0.01
4	S.SHANTHA	-	-	-	-	-	-	-
	TOTAL	1,58,34,494	61.63	-	1,58,37,634	61.64	-	0.01

iii) Change in Promoters' Shareholding

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	P.SUNDARARAJAN				
	At the beginning of the year	12784273	49.75	12784273	49.75
	At the end of the year			12784273	49.75
2	S.LATHA				
	At the beginning of the year	3024509	11.77	3024509	11.77
	At the end of the year			3024509	11.77
3	S.CHENDURAN				
	At the beginning of the year	25712	0.10	25712	0.10
	Transfer of Shares on 27.12.2019	415	-	26127	0.10
	Transfer of Shares on 21.02.2020	110	-	26237	0.10
	Transfer of Shares on 28.02.2020	2330	-	28567	0.11
	Transfer of Shares on 06.03.2020	15	-	28582	0.11
	Transfer of Shares on 13.03.2020	270	-	28852	0.11
	At the end of the year			28852	0.11
4	S.SHANTHA				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs);

S. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name & Type of Transaction	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	UTI - HYBRID EQUITY FUND				
	At the beginning of the year	1330392	5.18		
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year			1330392	5.18
2	DSP SMALL CAP FUND				
	At the beginning of the year	1235247	4.81	-	-
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year			1235247	4.81
3	GOLDMAN SACHS INDIA LIMITED				
	At the beginning of the year	1338597	5.21	1338597	5.21
	Transfer of shares on 28.02.2020	(29145)	(0.11)	1309452	5.10
	Transfer of shares on 06.03.2020	(14663)	(0.06)	1294789	5.04
	Transfer of shares on 13.03.2020	(56314)	(0.22)	1238475	4.82
	Transfer of shares on 20.03.2020	(10660)	(0.04)	1227815	4.78
	Transfer of shares on 27.03.2020	(4416)	(0.02)	1223399	4.76
	At the end of the year			1223399	4.76
4	ICICI PRUDENTIAL SMALLCAP FUND				
	At the beginning of the year	466514	1.81	466514	1.81
	Transfer of Shares on 12.04.2019	(557)	-	465957	1.81
	Transfer of Shares on 21.06.2019	5523	(0.02)	471480	1.83
	Transfer of Shares on 29.06.2019	752	0.01	472232	1.84
	Transfer of Shares on 05.07.2019	(26763)	-0.11	445469	1.73
	Transfer of Shares on 12.07.2019	1678	0.01	447147	1.74
	Transfer of Shares on 19.07.2019	(2833)	(0.01)	444314	1.73
	Transfer of Shares on 26.07.2019	99476	0.39	543790	2.12
	Transfer of Shares on 20.09.2019	6297	0.02	550087	2.14
	Transfer of Shares on 27.09.2019	6408	0.02	556495	2.17
	Transfer of Shares on 30.09.2019	637	0.05	557132	2.17
	Transfer of Shares on 04.10.2019	15	-	557147	2.17
	Transfer of Shares on 11.10.2019	11172	0.04	568319	2.21
	Transfer of Shares on 18.10.2019	49080	0.19	617399	2.40
	Transfer of Shares on 25.10.2019	6109	0.03	623508	2.43
	Transfer of Shares on 01.11.2019	676	-	624184	2.43

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

S. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name & Type of Transaction	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer of Shares on 08.11.2019	16944	0.06	641128	2.49
	Transfer of Shares on 22.11.2019	2765	0.01	643893	2.50
	Transfer of Shares on 29.11.2019	15939	0.07	659832	2.57
	Transfer of Shares on 06.12.2019	11444	0.03	671276	2.61
	Transfer of Shares on 13.12.2019	14156	0.07	685432	2.67
	Transfer of Shares on 03.01.2020	2404	0.01	687836	2.68
	Transfer of Shares on 10.01.2020	(55151)	(0.22)	632685	2.46
	Transfer of Shares on 17.01.2020	(16794)	(0.07)	615891	2.40
	Transfer of Shares on 24.01.2020	(25625)	(0.1)	590266	2.30
	Transfer of Shares on 31.01.2020	31142	0.12	621408	2.42
	Transfer of Shares on 28.02.2020	45243	0.19	666651	2.60
	Transfer of Shares on 06.03.2020	8976	0.02	675627	2.63
	Transfer of Shares on 13.03.2020	246458	0.97	922085	3.59
	Transfer of Shares on 20.03.2020	1033	0.01	923118	3.60
	Transfer of Shares on 27.03.2020	20000	0.07	943118	3.67
	At the end of the year			943118	3.67
5	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	729765	2.84	729765	2.84
	Transfer of Shares on 05.04.2019	92907	0.36	822672	3.20
	Transfer of Shares on 04.10.2019	(226695)	(0.88)	595977	2.32
	Transfer of Shares on 27.12.2019	(50000)	(0.20)	545977	2.12
	Transfer of Shares on 31.01.2020	(54339)	(0.21)	491638	1.91
	Transfer of Shares on 07.02.2020	(66719)	(0.26)	424919	1.65
	At the end of the year			424919	1.65
6	M/S EURO ASIA AGENCIES LIMITED HONGKONG				
	At the beginning of the year	345212	1.34	345212	1.34
	At the end of the year			345212	1.34
7	THE SCOTTISH ORIENTAL SMALLER COMPANIES TRUSTPLC				
	At the beginning of the year	362005	1.40	362005	1.40
	Transfer of Shares on 05.04.2019	(31520)	(0.12)	330485	1.28
	Transfer of Shares on 19.04.2019	(2441)	0.01	328044	1.27
	At the end of the year			328044	1.27
8	V SENTHIL				
	At the beginning of the year	172136	0.67	172136	0.67
	At the end of the year			172136	0.67

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

S. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name & Type of Transaction	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	CAMEL FOODS PVT LTD.				
	At the beginning of the year	17500	0.06	17500	0.06
	Transfer of Shares on 03.05.2019	1000	0.01	18500	0.07
	Transfer of Shares on 17.05.2019	500	-	19000	0.07
	Transfer of Shares on 24.05.2019	2190	0.01	21190	0.08
	Transfer of Shares on 31.05.2019	6134	0.02	27324	0.11
	Transfer of Shares on 07.06.2019	176	-	27500	0.11
	Transfer of Shares on 23.08.2019	1074	-	28574	0.11
	Transfer of Shares on 30.08.2019	800	-	29374	0.11
	Transfer of Shares on 13.09.2019	1133	0.01	30507	0.12
	Transfer of Shares on 20.09.2019	3237	0.01	33744	0.13
	Transfer of Shares on 27.09.2019	10	-	33754	0.13
	Transfer of Shares on 29.11.2019	347	-	34101	0.13
	Transfer of Shares on 10.01.2020	4134	0.01	38235	0.15
	Transfer of Shares on 17.01.2020	6987	0.03	45222	0.17
	Transfer of Shares on 24.01.2020	3850	0.02	49072	0.19
	Transfer of Shares on 31.01.2020	2213	-	51285	0.20
	Transfer of Shares on 21.02.2020	1269	0.01	52554	0.20
	Transfer of Shares on 06.03.2020	31399	0.12	83953	0.32
	Transfer of Shares on 13.03.2020	9524	0.04	93477	0.36
	Transfer of Shares on 20.03.2020	15539	0.06	109016	0.42
	Transfer of Shares on 27.03.2020	5230	0.02	114246	0.44
	At the end of the year			114246	0.44
10	GAURAV SANGHVI				
	At the beginning of the year	115000	0.45	115000	0.45
	Transfer of Shares on 21.02.2020	(15000)	0.06	100000	0.39
	At the end of the year			100000	0.39

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

iii) Change in Promoters' Shareholding

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	P.SUNDARARAJAN				
	At the beginning of the year	12784273	49.75	12784273	49.75
	At the end of the year			12784273	49.75
2	S.LATHA				
	At the beginning of the year	3024509	11.77	3024509	11.77
	At the end of the year			3024509	11.77
3	S.CHENDURAN				
	At the beginning of the year	25712	0.10	25712	0.10
	Transfer of Shares on 27.12.2019	415	-	26127	0.10
	Transfer of Shares on 21.02.2020	110	-	26237	0.10
	Transfer of Shares on 28.02.2020	2330	-	28567	0.11
	Transfer of Shares on 06.03.2020	15	-	28582	0.11
	Transfer of Shares on 13.03.2020	270	-	28852	0.11
	At the end of the year			28852	0.11
4	Mr.V.Sakthivel	-	-	-	-
5	Mr.P.Yesuthasen	-	-	-	-
6	Mr.A.S.Anand Kumar	-	-	-	-
7	Mr.G.Ramakrishnan	-	-	-	-
8	Mr.V.Balaji	5400	0.02	5400	0.021
9	Mrs.K.Vinodhini	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	2034.93	24.13	-	2059.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2034.93	24.13	-	2059.06
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reductions	236.01	16.59	-	252.60
Net Change	(236.01)	(16.59)	-	(252.60)

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal amount	1798.92	7.54	-	1806.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1798.92	7.54	-	1806.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total
		Mr. P. Sundararajan Chairman and Managing Director	Mrs.S.Latha, Executive Director	Mr.S.Chenduran Director (Operations)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	7.20	3.00	22.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit				
	- others	-	-	-	-
5	Others				
	Total (A)	12.00	7.20	3.00	22.20
	Ceiling as per the Act	10% of the Net Profit of the Company calculated as per Section 198 of the Act			

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

B. Remuneration to Other Directors

S No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr.V.Sakthivel	Mr.P.Yesuthasen	Mr.A.S.Anand Kumar	Mr.G.Ramakrishnan	
1	Independent Directors					
	Fee for attending board/committee meetings	0.14	0.12	0.18	0.06	0.50
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	0.14	0.12	0.18	0.06	0.50
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.14	0.12	0.18	0.06	0.50
Total Managerial Remuneration (A + B)						22.70
Overall Ceiling as per the Act		Not Exceeding Rs.1 Lakh per Meeting				

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

S No	Particulars of Remuneration	Name of Directors			Total Amount
		Mrs.P.V.Jeeva CEO Garment Division	Mr.V.Balaji CFO	Mrs.K.Vinodhini Company Secretary	
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.38	2.84	0.88	9.10
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
	Total (1)	-	-	-	-
2	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others	-	-	-	-
	Others	-	-	-	-
Total		5.38	2.84	0.88	9.10

EXTRACT OF ANNUAL RETURN (CONTD.)

As on financial year ended on 31.03.2020

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Place : Avinashi
Date : 02.09.2020

P. Sundararajan
Chairman and Managing Director
DIN : 00003380

S. Latha
Executive Director
DIN : 00003388

NOMINATION AND REMUNERATION POLICY

Annexure B

Our policy on the appointment of Directors including Independent Directors, Key Managerial Personnel (KMP) and senior management and the policy on remuneration of the Directors, KMP and other employees provides a referendum based on which the [Human Resource Talent Management Team] plans and strategies their recruitment plans for the growth of the Company. The policy is provided herewith pursuant to the provisions of Sections 178(3) and 178(4) of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), and is adopted by the Board of Directors on 06.08.2016 as recommended by the Nomination and Remuneration Committee (NRC).

Introduction:

The Company believes that human resources, as an asset, are important and play an integral part in the growth and success of the Company. The Company also acknowledges that a Board with diversified expertise and experience, adequate mix of Executive and Independent Directors, provides the desired vision, governance structure and mission to the Company in order to enable it to achieve its goals.

Objective and Purpose of the Policy:

In line with the requirements of the Listing Regulations and the Companies Act, 2013, the objectives and purpose of the policy are as under:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director and to recommend their appointment/removal;
- To lay out the remuneration principles for the directors, KMP and other employees;
- To formulate the criteria for evaluation of the Board and all the directors;
- To lay down the criteria for identifying people who can be appointed in senior management and recommend their appointment.

Terms and References:

In this Policy, the following terms shall have the following meanings:

“The Board” means the Board of Directors of the Company

“Director” means a director of a company

“Committee” means the Nomination and Remuneration Committee as constituted or reconstituted by the Board, in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations

“Independent Director” means a director referred to in sub-

section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

“Key Managerial Personnel” (KMP) means

- The Chief Executive Officer or the Managing Director or the manager;
- The Whole-Time Director;
- The Chief Financial Officer; and
- The Company Secretary;

and such other officer as may be prescribed under the Companies Act, 2013 from time to time.

“Senior Management” means personnel of the Company who are members of its core management team excluding the Board and all members of the management one level below the Executive Directors.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 (“Act”) and Listing Regulations as may be amended from time to time shall have the same meaning assigned to them therein.

Policy for the appointment and removal of Directors, KMP and Senior Management:

The criteria for the appointment of Directors, KMP and Senior Management are as follows:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment
- The candidate shall possess adequate qualification, expertise and experience for the position he/she is considered for appointment
- The appointment of any Whole-Time Director/KMP/ Senior Management shall also be governed by the prevailing employment policies of the Company
- A Whole-Time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time. However, a Whole-Time KMP can be appointed as a Director in any company subject to the same being intimated to the Board or being in accordance with the policy of the Company
- In case of an Independent Director, the proposed appointee should possess the desired attributes and should not suffer from any disqualifications as prescribed under Section 149(6) read with the relevant rules and Regulation 16 of the Listing Regulations.

Term/Tenure:

Managing Director/Whole-time Director:

The Company may appoint or re-appoint a person as its

NOMINATION AND REMUNERATION POLICY (CONTD.)

Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re- appointment shall be made earlier than one year before the expiry of term

Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term up to five consecutive years as per the Companies Act, 2013. No Independent Director shall hold office for more than two consecutive terms. The terms and conditions of appointment will be as prescribed from time to time under the Companies Act, 2013 and the Listing Regulations.

Removal: Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder or for such other compelling reasons, the Committee may recommend to the Board with reasons recorded in writing, removal of an Independent Director, KMP or Senior Management Personnel subject to the provisions and compliance to the Act, Rules and Regulations and applicable policies of the Company.

Retirement: The Independent Directors shall not be liable to retire by rotation. The other Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and prevailing policies of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP or other Senior Management Personnel in the same position/remuneration or otherwise, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-Time Director, KMP and other employees:

- The remuneration should be reasonable and sufficient in order to justify the position and responsibility and to retain the Directors;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Whole-Time Directors, KMP and Senior Management Personnel and other employees involves a clear balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Remuneration to the Directors will be determined by the Committee and recommended to the Board. The same shall be subject to the approval of the shareholders.
- Increments to the existing remuneration of the Directors shall be approved by the Committee within the overall limits as approved by the shareholders and placed before the Board.

- Increments to the existing remuneration of KMP and Senior Management will be approved by the committee and recommended to the Board as and when required.
- While determining the remuneration/ compensation/ benefits, etc. to the Whole-Time Directors, KMP and Senior Management Personnel and other employees, the Committee shall keep in mind the following criteria:
 - That the remuneration is aligned with market when compared to relevant peer companies;
 - Understandable and valuable to the talent the Company wishes to attract, motivate, engage and retain.

Remuneration to Non-Executive/Independent Directors:

Sitting Fees:

Non-Executive/Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The Board may at its discretion revise the sitting fees payable to the Non-Executive/Independent Directors from time to time provided that the amount of such fees shall not exceed the limits prescribed under the Companies Act, 2013 or rules made thereunder.

Committee Members Interest

A member of the NRC is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

NRC may invite such executives, as it considers appropriate, to be present at the meetings of the Compensation Committee.

ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.

This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.

Such disclosures of this Policy as may be required under the Act and Listing Regulations may be made.

DISSEMINATION OF POLICY

A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company at <http://www.spapparels.com> and the details of this Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company.

The terms of this policy are subject to the provisions of the Companies Act and the Listing Regulations and in the event of any inconsistency, the provisions of the Companies Act and the Listing Regulations shall prevail.

ANNEXURE - C

PARTICULARS OF ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Particulars pursuant to the Rule 8(3) Companies (Accounts) Rules, 2014)

A. Conservation of Energy

I. Steps taken for conservation of energy:

SEWING FACTORIES

- LED conversion of light fittings
- 1 x 18w LED - 185 nos
- 2 x 18w LED - 50 nos
- 40w LED street light - 20 nos
- 105w LED high bay light - 26 nos

With this LED conversion the factory's energy savings achieved by 50%.

PROCESSING DIVISION

- All the motors are controlled with VFD in the new ETP bio project.. in order to optimize the power consumption with respect to the load
- Improved Automatic water level control system has fixed in Boiler feed water tank to optimize the level to maintain the feed water temp at 95 deg and above which will directly support in reduction of coal consumption
- The New energy efficient with better lumens value LED bulbs being fitted by replacing old version Sodium Vapour fittings, Conventional Fluorescent tube light fittings, CFL lamps, which supports better energy savings in lighting loads
- Main process hall roofing is fitted with random base poly carbonate transparent sheets to get better natural light to avoid electrical light fittings glowing in Day time.
- Main process hall, roofing is fitted with Improved version of Turbo ventilators which reduces the in house ambient temperature which indirectly supports the panel boards Air conditioning efficiency.

- For all the steam process traps ,check valve has fixed to find out steam leakage which reduces the thermal energy wastage

SPINNING

- Constructed 13 lakhs liters capacity under ground sump suitable for store rain water collected from our factory roofing and we reused the stored rain water fully for our Humidification plant usage.
- Installed the Automatic Relative Humidity monitoring device in our Factory for maintain the Relative Humidity in our production department 24x7. Due to this device our Washer pump running only required level. So energy saved here.
- Installed energy efficient centrifugal fan in our Waste collection systems. This fan given additional 20% air suction in existing same capacity of installed Power.
- Installed energy efficient 35w ceiling fan -12 nos in our office instead of regular 60W fan.
- Installed Screw compressor with Drive instead of existing ordinary reciprocating compressor and also Modified the compressor air pipe line with looping method. Now we set the highest pressure 6.7 bar and our compressor running gradually suitable for required capacity only if need 1% the compressor also running 1% only and also pressure loss in line is very lesser. Initially our set pressure 7.0 bar.

II. The steps taken by the Company for utilizing alternative source of energy:

- To be a part of reduction of carbon emission, the Company is sourced the electrical energy from wind mills which is a non conventional energy source.
- 73% of the Company's power consumption is achieved by wind mill power. 27.62 MU is consumed from wind mill power where as the total power consumption is 37.68 MU.

III. Capital investment on energy conservation equipment:

- Sewing Factories: Rs. 0.44 million.

Total Energy consumption and energy consumption per unit of production:

Particulars	2019-20	2018-19
1. Electricity		
a) Purchased		
EB units (Kwh)	10055269	9031418
Wind mill units (Kwh)	25929814	15404643
Thermal units (Kwh)	0	0
TPP units (Kwh)	1692963	1761870
Total units (Kwh)	37678046	26197931
Total amount (Rs.)	268044349	181861324
Cost / unit (Rs. / Kwh)	7.11	6.94
b) Own generation		
Through Diesel Generator		
Units (Kwh)	602209	604430
Total amount (Rs.)	13265096	14137539
Cost / unit (Rs. / Kwh)	22.03	23.39
Net Electricity consumed in units	38280255	26802361
Net Electricity cost (Rs.)	281309445	195998863
Weighted Avg. Cost/ unit (Rs.)	7.35	7.31
2. Fuel		
a) Coal		
Quantity (Ton)	11915	13459
Total amount (Rs.)	60706245	79376308
Cost / unit (Rs. / Ton)	5095	5898
b) Fire wood		
Quantity (Ton)	1690	1837
Total amount (Rs.)	7647157	7748741
Cost / unit (Rs. / Ton)	4525	4219
c) Diesel (Boiler alone)		
Quantity (Ltr)	247472	209105
Total amount (Rs.)	18096493	15157803
Cost / unit (Rs. / Ltr)	73.13	72.49
d) LPG (Boiler alone)		
Quantity (Kg)	65573	69024
Total amount (Rs.)	4166186	4726800
Cost / unit (Rs. / Kg)	63.54	68.48
Net Steam Fuel cost (Rs.)	90616081	107009653
Consolidated Power & Fuel cost (In crores)	37.19	30.30

B. TECHNOLOGY ABSORPTION

Specific areas in which R&D carried out by the Company: NIL

The benefits derived: NIL

Future Plan of Action:

We have planned to setup 100 kW Solar PV Rooftop plant in our SF - Sathy in which the anticipated solar power generation of 15 lakhs units / annum.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2019-20	2018-19
Foreign Exchange earned through exports	5677.51	6,139.37
Foreign Exchange used		375.68

Annexure-D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2019-20:

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR is a sense of responsibility towards the community and environment in which we operate. It can be expressed through contribution / participation in educational and social programs, pollution control, Green Movement etc., Considering the vital role played by education in producing good citizens, who can nurture strong and healthy nation, we primarily concentrate on promotion of education besides other social objectives. The CSR activities under the Policy are those covered under the ambit of Schedule VII of the Companies Act 2013. The Policy is available in the website of the Company at www.spapparels.com. CSR projects are subject to audit.

2. The Composition of the CSR Committee is as follows -
 - a) Mr. P.Sundararajan -Chairman and Managing Director
 - b) Mrs.S.Latha - Executive Director
 - c) Mr. V.Sakthivel - Independent Director

3. Average net profit of the Company for last three financial years - Rs. 711.23 Million

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) -

The Company is required to spend Rs. 24.76 Million towards CSR (Rs. 14.22 Million as 2% average net profit for last three financial years plus Rs.10.54 million as carried forward amount of FY 2014-2015, 2015-16, 2016-17,2017-18 & 2018-19)

5. Details of CSR spent during the financial year -

During the financial year Rs.15.86 Million was spent towards promotion of education for children, women empowerment, Covid-19 relief, rural development, Wildlife preservation and relief for the underprivileged etc.,

- Total amount to be spent for the financial year - Rs. 14.22 Million + Rs.10.54 Million

(Unspent amount of last 5 years)

- Amount unspent, if any - Rs.8.91 Million (unallocated balance amount of total CSR liability of this year)

(Rs. in Million)

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or Programs subheads: 1. Direct expenditure on projects or program 2. Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Promotion of women empower activities	Women empowerment	Tirupur, Erode, Coimbatore Districts	0.88	Direct - 0.88	0.88	Through implementing Agency -0.81
2	Promotion of Education	Education	Tirupur, Erode, Coimbatore Districts	1.00	Direct - 1.00	1.00	Through implementing Agency - 1.00
3	Relief for the underprivileged	Rural development	Tirupur, Erode, Coimbatore Districts	3.33	Direct - 3.33	3.33	Direct - 3.33

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or Programs subheads: 1. Direct expenditure on projects or program 2. Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4	Wild life preservation	Rural development	Tiruppur, Erode, Coimbatore Dists	0.20	Direct - 0.20	0.20	Through implementing Agency Direct -0.20
5	COVID 19 Relief	Rural development	Tiruppur, Erode, Coimbatore Dists	10.44	Direct - 10.44	10.44	Direct -10.44
	Total			15.85	15.85	15.85	15.85

Details of implementing agency:

- Tiruppur Auxilium Salessian Sisters Society - Marialaya, Tiruppur, Tamilnadu.
 - Kovai Auxilium Salessian Sisters Society - Marialaya, Tiruppur, Tamilnadu.
 - SRI Ramachandra Institute of higher education and Research - Porur, Tamilnadu
 - NBNP Zoological park, Tamilnadu
6. The Committee hereby state that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place : Avinashi
Date : 02.09.2020

P. Sundararajan
Chairman CSR Committee
DIN : 00003380

S. Latha
Executive Director
DIN : 00003388

ANNEXURE - E

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	
1	Name of the subsidiary	Crocodile Products Private Limited	S.P. Apparels (UK) (P) Limited
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	GBP 1 GBP = Rs. 93.08
4	Share capital	38,000,000	15,746,800
5	Reserves & surplus	(99,446,468)	31,080,017
6	Total assets	9,173,317	209,058,748
7	Total Liabilities	70,619,785	162,231,931
8	Investments	NIL	NIL
9	Turnover	11,469,944	505,142,002
10	Profit before taxation	2,210,198	15,185,257
11	Provision for taxation	3,446,666	2,572,374
12	Profit after taxation	(1,236,468)	12,612,883
13	Proposed Dividend	NIL	NIL
14	% of shareholding	70%	100%

Notes:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year - Nil

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors

Place : Avinashi
Date : 02.09.2020

P. Sundararajan
Chariman and Managing Director
DIN : 00003380

S. Latha
Executive Director
DIN : 00003388

ANNEXURE - F
FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
M/s. S.P. Apparels Limited
(L18101TZ2005PLC012295)
39-A, Extension Street,
Kaikattipudur,
Avinashi - 641 654.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. S.P.Apparels Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. S.P.Apparels Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the

rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

- v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- b) Listing Agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited;

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/ Regulations requiring compliance thereof by the Company:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

I further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and

operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period covered under the audit, the Company has obtained necessary approval of the shareholders at the Annual General Meeting held on 20th September, 2019 for alteration of Clause V (Capital Clause) of the Memorandum of Association and the Company has obtained necessary approval of the shareholders through postal ballot on 25th March 2020 for amendment of Articles of Association of the Company by inserting the new Sub Clause 161(1) and complied with the provisions of the Companies Act, 2013 read with Relevant Rules made thereunder.

I further report that during the audit period, the resolution proposed by the Company for approval of the members for Sale of Retail Division of S.P.Apparels Limited to S.P.Retail Brands Limited on a slump sale basis as a going concern pursuant to Section 180(1)(a) of Companies Act 2013 has not passed through postal ballot on 25th March 2020, since the requisite majority was not obtained.

Other than the above, there were no instances of

- Public / Rights / Debentures / Sweat Equity.
- buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

M D SELVARAJ

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

UDIN : F000960B000648618

Place : Coimbatore

Date : 02.09.2020

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To

The Members of
M/s. S.P. Apparels Limited
(L18101TZ2005PLC012295)
39-A, Extension Street,
Kaikattipudur,
Avinashi - 641 654.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : 02.09.2020

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411
UDIN : F000960B000648618

ANNEXURE - G

Particulars of Employees

(Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Remuneration paid to Whole-Time Directors (WTD)

Name of the Director	Designation	% increase over previous year	Ratio of Remuneration to MRE
Mr.P.Sundararajan	Chairman and Managing Director	-29.41%	94.39
Mrs.S.Latha	Executive Director	-40.98%	56.63
Mr.S.Chenduran	Director (Operations)	-62.50%	23.60

2. Remuneration paid to Non-Executive Directors

The Non-Executive Directors of the Company are entitled for sitting fee only and its details are provided in the Corporate Governance Report.

3. Remuneration of other Key Managerial Personnel (KMP)

Name of the KMP	Title	% increase over previous year
Mrs.P.V.Jeeva	Chief Executive Division - Garment Division	0.90%
Mr.V.Balaji	Chief Financial Officer	4.54%
Mrs.K.Vinodhini	Company Secretary	44.42%

4. Percentage increase in the median remuneration of employees in the financial year : 6.67%

5. Number of Permanent employees (Including Probationary & Training) on the roll of the Company at the end of the year: 11,923

6. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

	31/03/2020
Average increase in remuneration of employees excluding KMP	5.96 %
Average increase in remuneration of KMP	3.97 %

7. Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

8. Names of the Top ten employees in terms of remuneration drawn and the name of every employee employed who was in receipt of remuneration not less than rupees one crore and two lakhs per annum or rupees eight lakhs fifty thousand per month.

S. NO	NAME	DATE OF JOINING	DESIGNATION ON 31.03.2019	QUALIFICATION AND EXPERIENCE	AGE	%OF SHARE HOLDING	REMUNERATION FOR THE PERIOD 2018-19 (Rs.in millions)	LAST EMPLOYED
1	SUNDARARAJAN P	18-11-05	CHAIRMAN & MANAGING DIRECTOR	B.Sc & 40 + years	64	49.76	12.00	Nil
2	LATHA S	18-11-05	EXECUTIVE DIRECTOR	Higher Secondary & 35 + years	56	11.77	7.20	Nil
3	CHENDHURAN.S	30-03-15	DIRECTOR OPERATION	Msc & 5 + years	31	0.11	3.00	Nil
4	JEEVA.P.V	01-07-86	CHIEF EXECUTIVE OFFICER	D.T.P & 30 + years	53	0.019	5.38	Nil
5	BALAJI.V	06-05-11	CHIEF FINANCIAL OFFICER	B.Com., FCA & 30 + years	51	0.021	2.84	Nil
6	SHANMUGASUNDARAM. S	12-11-03	GENERAL MANAGER	B.Tech; M.B.A. & 20 + years	45	0.001	2.67	VOLTAS LTD
7	SENTHIL ARUMUGAM B.	13-03-19	GENERAL MANAGER	D.T.T & 18 + Years	46	0	2.69	PREMIER KNITTING MILLS
8	PONNUSAMY.T.R	23-09-96	D.G.M MARKETING & MERCHANDISING	B.Com. & 20 + years	46	0.0005	2.36	SUNRISE KNITTING MILLS
9	SASI KUMAR.M	20-01-14	A.G.M - Q.A & CONTROL	M.A. & 25 + years	48	0	2.01	GARAN MANUFACTURING CORP.
10	NARAYANAN C.	11-07-18	GENERAL MANAGER	D.T.T & 20 + Years	55	0	2.07	RSWM LTD, HOSUR

For and on behalf of the Board of Directors

Place : Avinashi
Date : 02.09.2020

P. Sundararajan
Chariman and Managing Director
DIN : 00003380

S. Latha
Executive Director
DIN : 00003388

BUSINESS RESPONSIBILITY REPORT

ANNEXURE - H

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number	L18101TZ2005PLC012295			
2	Name of the Company	S.P.Apparels Limited			
3	Registered Office Address	39-A, Extension Street, Kaikattipudur Avinashi, Tirupur - 641654			
4	Website	www.spapparels.com			
5	E-mail id	csoffice@s-p-apparels.com			
6	Financial Year reported	2019-20			
7	Sector(s) that the company is engaged in (Industrial activity code-wise)	Garment (18101) Yarn (17121) Fabric (17115)			
8	List three key products or services that the company manufactures or provides (as in Balance Sheet)	Garment Yarn Fabric			
9	Total number of locations where business activity is undertaken by the company	I. International locations - Nil II. National Locations - 23			
10	Markets served by the Company	Local	State	National	International
		Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid Up Capital (INR)	256.93 millions
2	Total Turnover (INR)	7821.18 millions
3	Total Profit after Taxes (INR)	440.27 millions
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	3.60%
5	List of activities in which expenditure in 4 above has been incurred	1. Women empowerment 2. Education 3. Rural development 4. Wild life conservation 5. Poor welfare

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

The Company has two subsidiaries:

1. Crocodile Products Private Limited
2. S.P.Apparels (UK)(P) Limited

BUSINESS RESPONSIBILITY REPORT (CONTD.)

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?

No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR policy/policies :

DIN Number	00003380
Name	P.Sundararajan
Designation	Chairman and Managing Director

(b) Details of the BR head

Particulars	Details
DIN Number (if applicable)	00003380
Name	P.Sundararajan
Designation	Chairman and Managing Director
Telephone number	04296714000
e-mail id	spindia@s-p-apparels.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Businesses should promote the wellbeing of all employees.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 Business should respect and promote human rights.

P6 Business should respect, protect, and make efforts to restore the environment.

P7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

(a) Details of compliance (Reply in Y/N) :

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, policies are ensuing adherence to applicable laws.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Indicate the link to view the policy online	http://www.s-p-apparels.com/investors/policies-info/								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Such evaluation will be considered at appropriate time.								

3) Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The BR Performance is proposed to be reviewed annually.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? -

The Sustainability Report / BR Report is also available on the Company's website www.spapparels.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company?. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints were received during the Financial Year 2019-20.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company understands its obligations towards environmental concerns and accordingly, its manufacturing process is devised in such a manner so as to take care of its obligations. The Company has adopted the best techniques in its manufacturing process by:

- a) Installed water preheater to absorb waste heat exhaust through chimney.
 - b) Installed multi cone dust collector in boiler and thermic fluid heaters.
 - c) To be a part of reduction of carbon emission, the Company sourced 64% of power consumption by wind mill power.
- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- (i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

We continuously adopt energy saving measures in our production process which enables minimal resources utilization

- (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Our production process enables reduced usage of energy and water.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes the Company has procedures in place and the criteria used to source its suppliers is sustainable, resource efficiency, product quality, environment impact, etc.

The Company engages transporters based on the age of their vehicle and company insists that the vehicles have adequate pollution control certificates and the drivers carry adequate driving licenses etc.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company procure goods and services from local & small producers, including communities surrounding their place of work, based on the quality standards and further the company encourages them to improve their capacity and capability.

- 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company has installed water treatment plant in processing division which facilitates reuse of water significantly.

Principle 3: Businesses should promote the well-being of all employees

- 1. Please indicate the total number of employees.**

The total number of employees as on March 31, 2020 was 11923.

- 2. Please indicate the total number of employees hired on temporary / contractual / casual basis.**

The total number of temporary / contractual/casual basis as on March 31, 2020 were 345.

- 3. Please indicate total number of permanent women employees**

The total number of permanent women employees as on March 31, 2020 was 8340.

- 4. Please indicate the total number of permanent employees with disabilities**

The total number of permanent employees with disabilities as on March 31, 2020 was 38.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

5. Do you have any an employee association that is recognised by the management?

No.

6. What percentage of your permanent employees is members of this recognised employee associations?

Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year:

Sl.No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?

a) Permanent Employees - 100%

b) Permanent Women Employees - 100%

c) Casual / Temporary/ Contractual Employees - 100%

d) Employees with Disabilities - 100%

Company provides equal opportunity to all irrespective of gender, religion, caste, colour and does not discriminate based on any other factor.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. if so, provide details thereon in about 50 words or so.

Our Company recruits employees from disadvantaged, vulnerable and marginalized stakeholders from the society. Also providing training facilities for their skill developments and employment.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have not received any stakeholder complaints during the last financial year.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others
Yes, it extends to the group.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc
Yes, our production process is ecofriendly.
3. Does the company identify and assess potential environmental risks? Y/N
Yes. The company identifies and assesses potential environmental risks.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?
No.
5. Has the Company undertaken any other initiatives on Clean Technology, energy Efficiency, renewable Energy, etc. Y/N. If yes, please give hyperlink for webpage etc.
Yes, our energy requirements are fulfilled by clean energy.
6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial years being reported?
Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - A. THE SOUTHERN INDIA MILLS ASSOCIATION
 - B. TAMILNADU SPINNING MILL ASSOCIATION
 - C. TIRUPUR EXPORTERS ASSOCIATION
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
Yes, we have associated with the above association for the improvement in the industry and society.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof
Yes. The Company considers social development by implementing various welfare activities and programs as given below:
 - a) Women empowerment
 - b) Education
 - c) Rural development
 - d) Wild life conservation
 - e) Poor welfare

BUSINESS RESPONSIBILITY REPORT (CONTD.)

2. **Are the Programmes / projects undertaken through in-house team / own foundation / external NGO/ government structures / any other organisation?**

The programmes are undertaken through the in-house team as well as an external agency.

3. **Have you done any impact assessment of your initiative?**

Yes

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

The Company has spent an amount of Rs. 15.86 millions on various CSR activities during the year 2019-20. The details of the amount incurred and areas covered are given in question 1 above and in the Annual Report under the head "Corporate Social Responsibility".

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

The Company CSR initiatives are carried out based on the timely requirements and for the development of local community.

Principle 9 : Businesses should engage with and provide value to their customers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year?**

There are no customer complaints / consumer cases pending at the end of the financial year 2019-20.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

The Company displays all information as mandated by the regulations to ensure full compliance with the relevant laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

No. There is no case filed by any stakeholder against the Company regarding unfair trade practice, irresponsible advertising and / or anti-competitive behaviour during the last 5 years and pending as at the end of the financial year 2019-20.

4. **Did your company carry out any consumer survey / consumer satisfaction trends**

Consumer satisfaction surveys are carried out on a continuous basis to gauge the customer sentiments and the feedback ensures that the Company takes appropriate steps to increase customer satisfaction.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board is committed to maintaining a high standard of corporate governance practices within the Group and devotes considerable effort to identify and formalize best practices. We believe that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders and enhance shareholder value.

At SPAL, we are committed to practicing the highest level of corporate governance across all our business functions. It is about commitment to values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

BOARD OF DIRECTORS - COMPOSITION, CATEGORY AND ATTENDANCE

The Board comprises of a majority of Independent Directors ("IDs"). It has an appropriate combination of Executive and Non-Executive Directors ("NEDs"), to ensure independent functioning. The Board comprises of 7 Directors including one Managing Director & two wholtime Directors and all others are Non-executive Independent Directors. The Board's actions and decisions are aligned with the Company's best interests.

The Board met Five times during the Financial Year on 23.05.2019, 13.08.2019, 14.11.2019, 23.01.2020 and 14.02.2020. The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the year is as under: -

Name of the Director	Category	Attendance Particulars		Number of Directorships held in other Companies #	Number of Board & Committee Memberships held in other Companies §	
		Board Meeting	Last AGM		Chairman	Member
Mr.P.Sundararajan DIN: 00003380	Chairman & Managing Director Promoter	5	Yes	-	-	-
Mrs.S.Latha DIN: 00003388	Executive Director Promoter	4	Yes	-	-	-
Mr.S.Chenduran DIN: 03173269	Director Operations Promoter	5	Yes	-	-	-
Mr.V.Sakthivel DIN: 00005720	Non-Executive Independent	4	Yes	-	-	-
Mr.P.Yesuthasan DIN: 00767702	Non-Executive Independent	3	Yes	-	-	-
Mr.A.S.Anand Kumar DIN: 00058292	Non-Executive Independent	5	Yes	1	1	-
Mr.G.Ramakrishnan DIN: 06552357	Non-Executive Independent	3	Yes	-	-	-

Excludes directorships in Private Companies and Foreign Companies

§ Only Audit Committee and Stakeholders Relationship Committee are considered.

CORPORATE GOVERNANCE REPORT (CONTD.)

Mrs.S.Latha is the spouse of Mr.P.Sundararajan and Mr.S.Chenduran is the son of Mr.P.Sundararajan. None of the other directors are related to any other director on the Board.

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosures received from the directors, none of the directors serve as member of more than 10 committees nor they are the Chairman / Chairperson of more than 5 committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

OTHER DIRECTORSHIPS:

Directors	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Mr.P.Sundararajan DIN: 00003380	Nil	Nil
Mrs.S.Latha DIN: 00003388	Nil	Nil
Mr.S.Chenduran DIN: 03173269	Nil	Nil
Mr.V.Sakthivel DIN: 00005720	Nil	Nil
Mr.P.Yesuthasen DIN: 00767702	Nil	Nil
Mr.A.S.Anand Kumar DIN: 00058292	Neueon Towers Limited	Non-Executive-Independent Director
Mr.G.Ramakrishnan DIN: 06552357	Nil	Nil

None of the Non-Executive Directors holds any Equity Shares as on 31st March, 2020. The Company has not issued any type of Convertible instruments to Non-Executive Directors.

There has been no materially relevant pecuniary transaction

or relationship between the Company and its Non-Executive Independent Directors during the year.

INDEPENDENT DIRECTORS

FAMILIARISATION PROGRAM

All independent directors inducted into the board attend an orientation program. The details of the familiarization programmes have been hosted on the website of the Company and can be viewed at <http://www.s-p-apparels.com/investors/policies/>. Further at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES:

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company's Business Vertical(s) and those already available with the Board are as follows:

Core Skill/ Expertise/ Competencies	DESCRIPTION
Behavioural	The Board members effectively participate and contribute in the Board meetings and maintain board confidentiality. The Board possesses key attributes and competencies on the whole enabling them to function well as a team
Governance	The essential governance, legal and compliance knowledge is possessed by all the directors which aids in protecting the shareholders interest
Technical	The Directors possesses required skills and specialist knowledge to assist the management in the key areas. All the directors have the ability to understand the financial statements
Industry	The Directors have necessary experience and knowledge in the textile industry which enables them to guide the management

The specific areas of focus or expertise of individual Board members have been highlighted in the below chart. However, in the absence of mark against a Director does not necessarily mean that the member does not possess the said qualification or skill.

Name of the Directors/Skills	Behavioural	Governance	Technical	Industry experience	Name of the Directors/Skills
Mr.P.Sundararajan	✓	✓	✓	✓	✓
Mrs.S.Latha	✓	✓	✓	✓	✓
Mr.S.Chenduran	✓	✓	✓	✓	✓
Mr.V.Sakthivel	✓	✓	✓	✓	✓
Mr.P.Yesuthasen	✓	✓	✓	✓	✓
Mr.A.S.Anand Kumar	✓	✓	✓	✓	✓
Mr.G.Ramakrishnan	✓	✓	✓	✓	✓

CONFIRMATION ON THE FULFILMENT OF THE CONDITIONS OF INDEPENDENCE:

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management

RESIGNATION OF INDEPENDENT DIRECTORS BEFORE EXPIRY OF TENURE:

There was no instance of resignation of any Independent Director during the financial year 2019-20.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

The Independent Directors held a Meeting during the year, without the attendance of Non-Independent Directors and members of Management. The following matters were discussed in detail:

- I) Review of the performance of Non-independent directors and the Board as a whole;
- II) Review of the performance of the Chairman & Managing director of the Company, taking into account the views of Non-Executive Directors.
- III) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and help in delegating particular matters that require greater and more focused attention. The Board has constituted the following committees of Directors to deal with matters referred to it for timely decisions.

- 1) Audit Committee, 2) Corporate Social Responsibility Committee, 3) Nomination and Remuneration Committee, 4) Risk Management Committee and 5) Stakeholders Relationship Committee.

AUDIT COMMITTEE

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Committee are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act, 2013 and The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Besides having access to all the required information within the Company, the Committee

CORPORATE GOVERNANCE REPORT (CONTD.)

can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

The Committee meets periodically and reviews -

- Audited and un-audited financial results;
- Internal audit reports and report on internal control systems of the Company;
- Discusses the larger issues that could be of vital concern to the Company;
- Auditors' report on financial statements and their findings and suggestions and seeks clarification thereon;
- Policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
- All other important matters within the scope and purview of the committee

During the year under review, the Committee met four times on 23.05.2019, 13.08.2019, 14.11.2019 and 14.02.2020. The Composition of the Audit Committee and the attendance of each member of the Committee are given below.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr.V.Sakthivel, Chairman	Independent - Non-Executive	4	3
Mr.P.Yesuthasen, Member	Independent - Non-Executive	4	3
Mr.A.S.Anand kumar, - Member	Independent - Non-Executive	4	4

The Chairman of the Audit Committee attended the Annual General Meeting held on September 20, 2019.

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Statutory Auditors and Internal Auditor and Chief Financial Officer of the Company have also attended the committee meetings. The minutes of the Audit Committee meetings were circulated to the Board, and the Board discussed and took note of the same. The

Audit Committee considered and reviewed the accounts for the year 2019-20, before it was placed in the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Independent Directors as its Members. The composition of the Committee is as per the provisions of Section 178 of the Act & Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Nomination & Remuneration Policy.

The terms of reference of this committee has been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013

Details of members attendance during the year under review, are furnished here below:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr.G.Ramakrishnan,- Chairman	Independent - Non-Executive	2	1
Mr.V.Sakthivel, Member	Independent - Non-Executive	2	2
Mr.P.Yesuthasen, - Member	Independent - Non-Executive	2	1

The Chairman of the Nomination and Remuneration Committee attended the Annual General Meeting held on September 20, 2019.

This Committee would look into and determine the Company's policy on remuneration packages of the Executive directors and Senior Management. During the year under review, the committee had met two times on 13th August 2019 and 14th February 2020.

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and

CORPORATE GOVERNANCE REPORT (CONTD.)

removal and also shall carry out evaluation of every Director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's websites at <http://www.s-p-apparels.com/investors/policies/>

Performance Evaluation of non-executive and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 37(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee, CSR Committee and Stakeholder Relationship Committee. A peer review was done by all the Directors evaluating every other Director. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance. Feedback on the appraisal has been provided to the board members.

DETAILS OF REMUNERATION

The remuneration of Executive Directors are governed by a resolution which has been approved by the Board of Directors and the shareholders. The remuneration broadly comprises fixed and variable components. The increment of the Executive Directors are determined on the basis of the Company's performance and individual contribution. The Executive Directors are not entitled to sitting fees for attending meetings of the Board and Committees

Remuneration paid to the Executive Directors for the financial year ended March 31, 2020 is given as under:

(₹ in Million)

Name of the Directors	Service Contract	Salary & Allowances
Mr. P Sundararajan Chairman & Managing Director	21.11.2015 - 20.11.2020	12.00
Mrs S Latha Executive Director	16.08.2016 - 15.08.2021	7.20
Mr S Chenduran Director Operations	01.04.2015 - 30.03.2020	3.00

The Non-Executive Directors were not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and / or committees thereof.

(₹ in Million)

Name of the Directors	Sitting Fees	Total
Mr.V.Sakthivel,	0.14	0.14
Mr.P.Yesuthasan	0.12	0.12
Mr.G.Ramakrishnan	0.06	0.06
Mr.A.S.Anandkumar	0.18	0.18

The Company currently does not have any Stock Option Scheme

CORPORATE GOVERNANCE REPORT (CONTD.)

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Board was constituted with Mr.P.Sundararajan, Chairman and Managing Director as the Chairman, Mr.P.Yesuthasen, Independent Director and Mr.S.Chenduran, Executive Director as its members.

The Committees composition is in compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary responsibility of the risk management committee is to oversee and approve the company's risk management practices. The Company has framed a Risk Management Policy. The Risk Management Policy is disseminated in the website of the Company.

During the year under review, the Committee meeting was held on 14th February, 2020 and all the members were present at that meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of the following Directors as its Members:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr.V.Sakthivel, Chairman	Independent - Non-Executive	4	3
Mrs.S.Latha (Member)	Executive Director - Promoter	4	3
Mr. S.Chenduran (Member)	Executive Director - Promoter	4	4

The Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting held on September 20, 2019.

Mrs. K Vinodhini, Company Secretary of the Company is the Compliance Officer.

The Stakeholders Relationship Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to non-receipt of annual reports, dividend payments, and other miscellaneous complaints.

In addition, the Committee looks into other issues including status of dematerialization / re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

At the beginning of the year, no complaint was pending. During the year 31st March, 2020 there were no investor complaints which were pending/received/resolved.

Pursuant to SEBI's Directions, Company has created a centralized web based complaints redressal system 'SCORES' and in that system no complaint has been received during the year.

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

As required by the SEBI (LODR) Regulations, 2015, Company's website www.spapparels.com is updated with the quarterly information conveyed to the Stock Exchanges. All information required to be disseminated in the Company's website as per Regulation 46 (2) of the Listing Regulations are disseminated. The Company's website contains a separate dedicated section 'Investor' wherein shareholders' information are available.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary

CORPORATE GOVERNANCE REPORT (CONTD.)

has been submitted to the Stock Exchanges within stipulated time

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee consists of three directors of which one is Independent Director.

The main objective of the Corporate Social Responsibility Committee is to assist the Board and the Company in fulfilling its Corporate Social Responsibility (“CSR”) activities. Besides the Committee has the overall responsibility for identifying the areas of CSR activities to be undertaken by the company as specified in Schedule VII; recommending the amount of expenditure to be incurred on the identified CSR activities; devising and implementing the CSR policy; co-ordinating with the Agency, if any, appointed to implement programs and executing initiatives as per CSR policy of the Company.

The CSR Policy has also been framed and its details are uploaded in the Company’s website.

The Committee comprises of the following Directors as its Members:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr.P.Sundararajan, Chairman	Chairman & Managing Director Promoter	3	3
Mrs.S.Latha, Member	Executive Director	3	2
Mr.V.Sakthivel, Member	Independent - Non-Executive	3	3

During the year under review, the Committee had met thrice on 23rd May 2019, 13th August 2019 and 14th February 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report forms part of this Annual Report.

UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Regulation 39(4) read with Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company does not have any unclaimed shares. Hence opening of unclaimed suspense security account is not applicable.

GENERAL BODY MEETINGS

Location and time for last three AGMs held and the Special Resolutions, if any, passed thereat, are as given below:

Year	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed, if any
2018 - 2019	20/09/2019	3.00 pm	Gokulam Park, No.116/2, Avinashi Road, Coimbatore - 641062.	<ol style="list-style-type: none"> 1. Re-appointment of Mr.V.Sakthivel for second term as an Independent Director 2. Reclassification of preference share into equity shares 3. Substitution of Clause V of Memorandum of Association consequent up on reclassification of Authorized share capital

CORPORATE GOVERNANCE REPORT (CONTD.)

Year	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed, if any
2017-2018	17/09/2018	3.30 pm	39 A Extension Street, Kaikattipudur, Avinashi - 641654	NIL
2016-2017	11/08/2017	3.00 pm	Hotel Le Meridien, Avinashi Road Coimbatore	<ol style="list-style-type: none"> 1. Revision of remuneration to Mr. P. Sundararajan, Chairman and Managing Director. 2. Revision of remuneration to Mrs. S.Latha, Executive Director. 3. Revision of remuneration to Mr. S. Chenduran, Director (Operations).

EXTRAORDINARY GENERAL MEETING

No extraordinary general meeting of the members was held during the Financial year 2019 - 2020.

Postal Ballot and E-Voting

During the year, the Company has conducted a Postal Ballot vide Notice dated 14th February 2020 for obtaining approval of Related Party Transaction, approval for sale of Retail Division of S.P.Apparels Limited to S.P.Retail Brands Limited on a slump sale basis and approval to Amend the Articles of Association of the Company by inserting the new Sub Clause 161(1) after the existing clause 161.

The details of resolution proposed through Postal Ballot last year and the voting pattern for the said resolutions are disclosed as under:

Resolution Particulars	Type of Resolution	No. of votes polled	Votes cast in favour		Votes cast against		Whether Resolution passed or not
			No of Votes	%	No of Votes	%	
Approval of Related Party Transaction under Section 188 of the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Ordinary Resolution	56,25,565	30,04,536	53.41	26,21,029	46.59	Passed as an Ordinary Resolution with requisite majority
Approval to Amend the Articles of Association of the Company by inserting the new Sub Clause 161(1) after the existing clause 161	Special Resolution	2,16,35,702	2,16,13,309	99.90	22,393	0.10	Passed as a Special Resolution with requisite majority

CORPORATE GOVERNANCE REPORT (CONTD.)

Resolution Particulars	Type of Resolution	No. of votes polled	Votes cast in favour		Votes cast against		Whether Resolution passed or not
			No of Votes	%	No of Votes	%	
Sale of Retail Division of M/s. S.P.Apparels Limited to M/s. S.P.Retail Brands Limited on a Slump Sale basis as a going concern pursuant to Section 180(1)(a) of Companies Act 2013	Special Resolution	56,25,565	30,05,338	53.42	26,20,227	46.58	Not passed since the requisite majority was not obtained

Sri. M.D.Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore, was appointed as the scrutinizer for carrying on the postal ballot process in a fair and transparent manner.

Procedure for postal ballot:

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolutions as specified in the Notice of the Postal Ballot dated 14th February 2019 (as specified above) were transacted through Postal Ballot / Remote e-voting during the last year. The Company had engaged the services of Link Intime India Private Limited (LIPL) for providing e-voting facility to the members.

The members were provided the option of exercising their right to vote on the said resolution through postal ballot / Remote e-voting during the period commencing from Tuesday, 25th February 2020 to Wednesday, 25th March 2020. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Managing Director. The results of the voting were declared on 26th March 2020 on the website of the Stock Exchanges, Company and Link Intime India Private Limited (LIPL) .

MEANS OF COMMUNICATION

The Annual Report containing the financial statements is posted / e-mailed to the shareholders of the Company in compliance with the provisions of the Act. Towards Green Initiative, the Shareholders are requested to convey / update their e-mail address as well as register the same with their respective Depository Participant. Official-news releases and official media releases are sent to Stock Exchanges.

1. Quarterly Results are usually published in “Financial Express” (English) and in “Dinamani” (Tamil).
2. The Financial Results are also accessible on the Company’s website - www.spapparels.com.
3. Presentations made to Institutional Investors and financial analysts on the Company’s unaudited quarterly as well as audited annual financial results are uploaded on the Company’s website.

SHAREHOLDERS INFORMATION

Annual General Meeting

Day and Date : Monday, 28th September, 2020

Time : 04.00 p.m.

Venue : Annual General Meeting (AGM) to be conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM), pursuant to MCA Circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”), without the physical presence of Members at a common venue. The deemed venue for the AGM shall be the Corporate Office of the Company.

DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2020 to September 28, 2020 (both days inclusive) for the purpose of Annual General Meeting of the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

SHARE DETAILS

The Equity Shares of the Company are listed at the following Stock Exchanges:

BSE Ltd. Scrip Code : 540048

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

National Stock Exchange of India Ltd. Symbol : SPAL

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai - 400 051

The Annual Listing Fee payable to the Stock Exchanges for the financial year 2020-21 have been paid in full.

DEMATERIALISATION OF SHARES

Members have the option to hold their shares in demat form either through the National Securities Depository Limited or the Central Depository Services Limited. The ISIN Number of the Company is INE212I01016.

The Annual Custodian Fee payable to NSDL and CDSL for the financial year 2020-21 have been paid by the Company.

As on 31.03.2020, shares representing 98.66 percentage of the total paid up capital of the Company are held in dematerialized form with NSDL and CDSL.

With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agent, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND THEIR LIKELY IMPACT ON EQUITY

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
Coimbatore Branch
No. 35, Surya, Mayflower Avenue,
Behind Senthil Nagar,

Sowripalayalam Road,
Coimbatore - 641028
Phone: 0422 - 2314792
Email id: Coimbatore@linkintime.co.in

Details of Compliance Officer

Mrs. K Vinodhini,
Company Secretary
39-A, Extension Street, Kaikattipurur,
Avinashi - 641654.
Phone : 04296 - 714013

The shares of the company are regularly traded and in no point of time the shares were suspended for trading in the stock exchanges

RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Company Secretary in Practice carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

SHARE TRANSFER SYSTEM

The Company's shares being in compulsory dematerialized (demat) list are transferable through the depository system. Securities and Exchange Board of India has mandated that the transfer of Securities held in physical form, except in case of transmission or transposition, shall not be processed by the Listed Entities / Registrars and share transfer agents with effect from 1st April 2019. Therefore, members holding shares in physical form are requested to immediately dematerialized their shareholding in the Company. All the requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets as and when required.

STOCK MARKET DATA

Type of Security: Equity

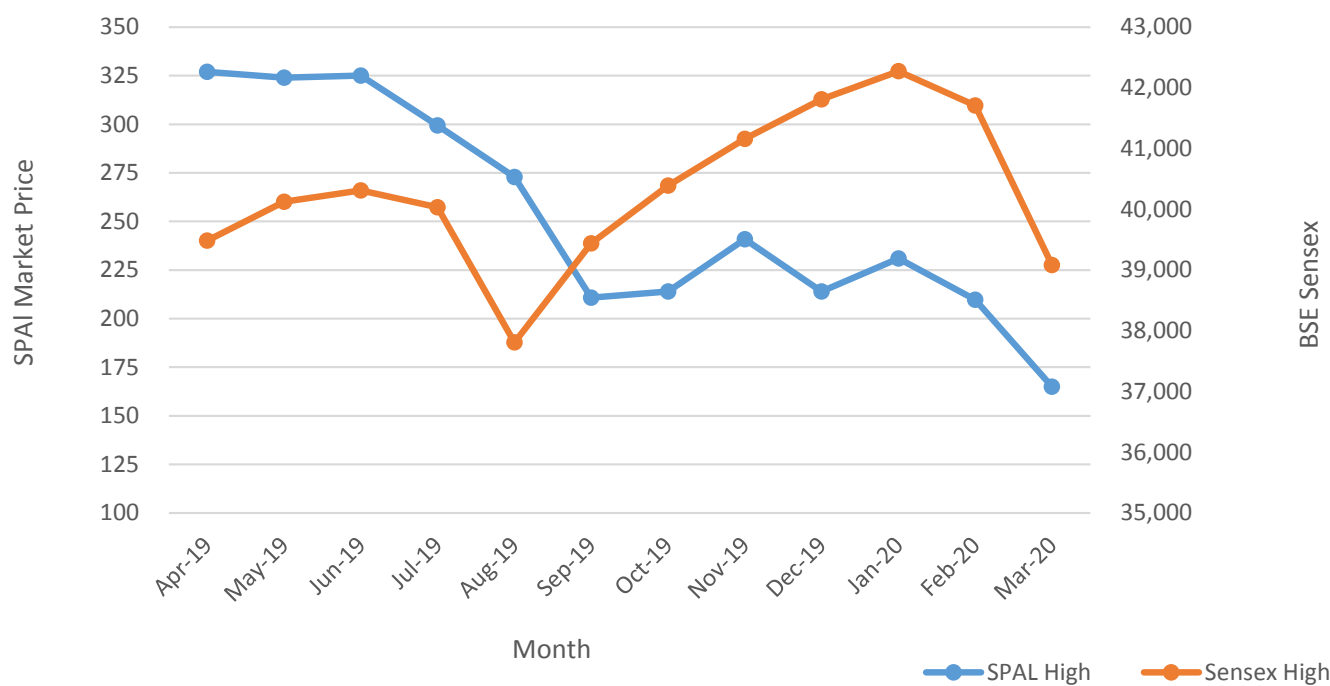
CORPORATE GOVERNANCE REPORT (CONTD.)

MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the BSE Ltd. and National Stock Exchange of India Ltd., during the financial year 2019-20 are given below:

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	TOTAL TRADED QUANTITY	HIGH (Rs.)	LOW (Rs.)	TOTAL TRADED QUANTITY
April, 2019	327.00	283.05	10,625	328.60	288.65	120486
May, 2019	324.00	278.25	6,357	314.80	280.25	190691
June, 2019	325.00	242.00	9,721	301.00	261.10	77884
July, 2019	299.40	238.30	7,469	296.95	241.50	254461
August, 2019	272.95	171.70	16,001	249.80	175.45	147750
September, 2019	210.80	174.05	15,254	210.00	175.00	193990
October, 2019	214.00	192.45	1,44,989	218.65	193.15	605763
November, 2019	240.85	188.90	33,068	239.00	195.05	322291
December, 2019	213.95	194.10	24,489	213.95	192.60	272969
January, 2020	231.00	197.10	47,234	234.00	196.60	560386
February, 2020	209.80	157.15	59,344	209.80	157.15	396598
March, 2020	165.00	60.10	21,568	166.05	56.75	728671

SPAL Market Price vs BSE Sensex



CORPORATE GOVERNANCE REPORT (CONTD.)

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2020

Share holdings	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Equity Capital
1 - 500	10772	89.69	1285790	5.00
501 - 1000	723	6.02	508894	1.98
1001 - 2000	280	2.33	382015	1.49
2001 - 3000	95	0.79	232463	0.91
3001 - 4000	31	0.26	108496	0.42
4001 - 5000	22	0.18	102604	0.40
5001 - 10000	42	0.35	285789	1.11
10001 & Above	45	0.38	22786549	88.69
Total	12010	100.00	25692600	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH 2020

Category	Number of Shares Held	% of Holding
Promoter & Promoter Group	15837634	61.64
Mutual Fund	3508757	13.66
Foreign Portfolio Investor	1609732	6.27
Financial Institutions	6625	0.03
Insurance Companies	424919	1.65
Individuals	3147063	12.24
Trusts	6062	0.03
Hindu Undivided Family	110849	0.43
Foreign Companies	345212	1.34
NRI	225076	0.88
Clearing Member	16047	0.06
Bodies Corporate	454624	1.77
Total	25692600	100.00

PLANT LOCATION

Sl. No.	LOCATION	FACILITIES
1	39-A, Extension Street, Kaikattipudur, Avinashi and 245/1 and 246/2B, Extension Street, Avinashi	Registered Office, administration,
2	4/1, Extension Street, S.F.Nos.229/1 and 230/3, Avinashi	Manufacturing of garments
3	No.5/407-6, N.H.-47 Main Road, Palangarai Village, Avinashi	Manufacturing of garments
4	No1/477-A, Avinashi Main Road, Neelambur, Coimbatore	Manufacturing of garments
5	S.F.No. 565/1 and 565/2, Kovai Main Road, Thekkalur	Manufacturing of garments
6	S.F.Nos.647/1C and 647/2, and No.378-D, Samichettyalayam, Gudalur Village, Gudalur Panchayath, Coimbatore Taluk, Coimbatore District	Manufacturing of garments, printing and embroidery units

CORPORATE GOVERNANCE REPORT (CONTD.)

Sl. No.	LOCATION	FACILITIES
7	Athani Road, Near Government Hospital, M.Kumarapalayam, Sathyamangalam	Manufacturing of garments
8	Plot Nos.C-30,31,32, SIPCOT Industrial Growth Centre, Perundurai, Erode District	Manufacturing of garments
9	Plot No.PP 1, Phase II, SIPCOT Industrial Growth Centre, Perundurai, Erode District	Dyeing unit
10	Dharapuram Road, Modachur, Gobichettipalayam, Erode District	Manufacturing of garments
11	S.F.Nos.52/11 and 52/12, Erode-Gobichettipalayam Main Road, Polavakalipalayam, Gobichettipalayam, Erode District	Manufacturing of garments
12	SF.No.694/3,4 (A, B and C Block) Varapatti, Sulthanpet Main Road, Sulthanpet Post, Sulur taluk, Coimbatore District	Manufacturing of garments
13	S.F.No.258/2, South Avinashipalayam Village, Koduvai, Tirupur District	Manufacturing of garments
14	S.F. No.275/1,2 Velli Tirupur Post, Patlur Village and Panchayat, Ammapettai Union, Bhavani Taluk, Erode District	Manufacturing of garments
15	S.F.No.37/1B, Masthi Palayam, Irumbarai Village, Mettupalayam Taluk, Coimbatore District	Manufacturing of garments
16	S.F.No. 450/1, No. 179 - B&C, Main Road, Kavindapadi Pudur, Kavindapadi, Bhavani Taluk, Erode District	Manufacturing of garments
17	Plot No.18, Eettiveerampalayam Village, Tirupur Taluk, Avinashi Registration District, Tirupur Revenue District	Manufacturing of garments
18	Attur Main Road, Valappady, Salem	Spinning unit
19	2/286, Idaisevel II Village, Chatirapatti Mall, Kovilpatti Tk, Tuticorin, Tamilnadu - 628501	Manufacturing of garments
20	S. F. No. 849/1 & 2, 856/1, Kuppanur Village, Annur Taluk	Manufacturing of garments
21	S. F. No. 578/1A, Pattalur Village, Bhavani Taluk, Erode District	Manufacturing of garments
22	Shed No. 14, Netaji Apparel Park, NH Road, New Tirupur	Manufacturing of garments
23	Unit II, Cuddalore Main Road, Kalapaganur, Pethanaickenpalayam, Attur Tk, Salem-636109	Knitting Unit

ADDRESS FOR CORRESPONDENCE

The Company Secretary,
S.P.Apparels Limited
39-A, Extension Street, Kaikattipudur,
Avinashi - 641654.
Phone : 04296 - 714013

Company's CIN : L18101TZ2005PLC012295

MD / CFO CERTIFICATION

The MD and CFO have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as required.

Disclosure

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large.**

All the related party transactions are entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel or otherwise which may have potential conflict with the interest of the Company at large.

CORPORATE GOVERNANCE REPORT (CONTD.)

The details of the transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has also formulated a policy on dealing with the Related Party Transactions and the details of such policies is disseminated on the website at www.spapparels.com

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions

- b. Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

No Penalties and/or strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

- c. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has adopted Vigil Mechanism Policy to enable Stakeholders (including Directors and Employees) to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud, misuse, misappropriation or violation of codes of conduct or policies and also provide for direct access to the chairman of Audit Committee in exceptional cases.

The policy provide adequate safeguard against victimization of Director(s)/ employee(s). The Protected Disclosures, if any reported under this policy would be appropriately and expeditiously investigated by the Chairman of the Audit Committee without interference from any board members.

Your company hereby affirms that no director/employee/ personnel has been denied access to the chairman of the Audit Committee and that no complaints were received during the year. The vigil mechanism policy has been disclosed on the Company's website www.spapparels.com. The policy is in line with the Company's code of conduct, vision and values and forms part of good Corporate Governance

- d. Details of compliance with mandatory requirements and adoption of the non mandatory requirements

The Company has complied with all mandatory requirements laid down under the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted the non-mandatory requirement of Reporting of internal auditors to Audit Committee as recommended under Regulation 27 (1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Company has not adopted any other non-mandatory Requirements.

- e. Policy for determining material subsidiaries

The Company has formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website at www.spapparels.com

- f. Commodity price risk and commodity hedging activities

During the financial year ended 31/03/2020, the Company did not engage in commodity hedging activities

- g. Disclosure on accounting treatment.

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) referred to in Section 133 of The Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

- h. Disclosure on risk management

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17 (9) of the Listing Regulations, the Company has framed an effective Risk Management policy in order to analyze, control or mitigate risk. The board periodically reviews the risks and suggests steps to be taken to control the same.

Other disclosures:

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

CORPORATE GOVERNANCE REPORT (CONTD.)

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

The Company has paid a sum of Rs. 12.00 Lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2019-20, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

Credit Rating:

The Company has obtained rating from ICRA during the year ended 31st March, 2020.

Rating Agency	Rating	Outlook
ICRA Limited	Long term - A	Positive
	Short term - A1	Positive

There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of conduct for prevention of insider trading

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated employees. The code ensures the prevention of dealing in shares by persons having accessed to unpublished price sensitive information.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

DECLARATION - CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. A declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2019-2020.

Avinashi
02.09.2020

P.Sundararajan
Chairman and Managing Director
(DIN:00003380)

MD/CFO CERTIFICATION

CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31/03/2019

MD/CFO CERTIFICATION

To
The Board of Directors
S.P.Apparels Limited

Sir,

- a) We have reviewed the Financial Statement and cash flow statement for the year ended on 31st March 2020 and that to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with Indian accounting standards (IND-AS), applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the audit Committee, that there are no deficiencies in the design or operation of such internal controls, if any, of which we are aware.
- d) We have indicated to the auditors and Audit Committee
- i) That there is no significant change in internal control over financial reporting during the year.
 - ii) There is no significant changes in the accounting policies during the year.
 - iii) There is no significant fraud of which we have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For S.P.Apparels Limited

P.Sundararajan
Chairman and Managing Director
(DIN:00003380)

V.Balaji
Chief Financial Officer

Place : Coimbatore
Date : 02.09.2020

To

The Members of M/s. S.P.Apparels Limited

Dear Sir,

I have examined the compliance of the conditions of Corporate Governance by M/s. S.P.Apparels Limited ("the Company") for the financial year ended March 31, 2020 as stipulated under the Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020.

I further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M D SELVARAJ

MDS & Associates

Company Secretaries

Place : Coimbatore

Date : 02.09.2020

FCS No.: 960, C P No.: 411

UDIN : F000960B000649707

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of

M/s. S.P. APPARELS LIMITED

(L18101TZ2005PLC012295)

39-A, Extension Street,

Kaikattipudur,

Avinashi - 641 654

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s S.P. APPARELS LIMITED having CIN: L18101TZ2005PLC012295 and having registered office at 39-A, Extension Street, Kaikattipudur, Avinashi - 641 654 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March 2020** have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Mr. Perumal Sundararajan (Chairman and Managing Director)	00003380	18/11/2005
2	Mr.Sundararajan Chenduran (Wholetime Director)	03173269	30/03/2015
3	Mrs. Sundararajan Latha (Wholetime Director)	00003388	18/11/2005
4	Mr. Venkidusamy Sakthivel	00005720	30/01/2006
5	Mr. Aravinda Sundara Anand Kumar	00058292	13/11/2015
6	Mr. Pathiudian Yesuthasen	00767702	28/08/2015
7	Mr. Guruswamy Ramakrishnan	06552357	13/11/2015

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

M D SELVARAJ

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

UDIN : F000960B000649718

Place : Coimbatore

Date : 02.09.2020

INDEPENDENT AUDITOR'S REPORT

To the Members of S.P.Apparels Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of S.P.Apparels Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These

matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

CAM - 1 New Revenue recognition Standard Ind AS 115 "Revenue from Contracts with Customers"

Risk:-

Refer to the accounting policies and notes to the financial statements. As per the accounting policy of the Company, the obligation of the Company as per IND AS 115, is completed as follows:-

- a) Garment sales - As per the terms agreed with the customer by the Company
- b) Retail sales - In respect of sales made to large format stores (LFS), it is on sale or return basis. For distributors it is on outright purchase model. Franchise owned and franchise operated (FOFO) stores, the arrangement is on sale or return model and for Company Owned and Company Operated model, sale is on cash basis. In respect of sales to LFS and FOFO, identifying the completion of performance obligation for the Company is dependent on completion of sale by LFS/ FOFO store which involves careful collation of information of performance obligations.
- c) Spinning and processing division - Upon raising invoice and gate out of goods or upon completion of services

Matters discussed with those charged with governance [TCWG]:-

Discussion with TCWG focused on:-

- a) Basis of Identification of obligation completion in sales transactions entered by the Company with its customers [Export and Local]
- b) Process of obtaining details of closing inventory available at large format stores and franchise owned and franchise operated (FOFO) stores as at reporting date and process of valuation of inventory cost & sale price by the Company [Item wise in retail sale]

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Our response to the risk:-

We obtained an understanding of the processes for the recognition of revenue in each of the revenue streams, and separately for the recognition of export sales. We have relied on manual controls for carrying out cut off procedures by the management and carried out substantive testing.

For retail, spinning and processing division sales in the Company, we have focused our testing on manual journals posted to this revenue stream.

For garment sales: -

- we performed detailed transaction testing by agreeing a sample of individual revenue items to sales invoices, evidence of delivery and subsequent cash receipt;
- we performed sales cut-off testing immediately before and after the year end by testing sales invoices to evidence of delivery to ensure that revenue had been recognised in the correct accounting period; and
- we conducted specific analytical procedures on revenue recognised either side of the year end to test management's conclusion that the related revenue had been recognised in the correct accounting period.

For retail sales:-

- We reviewed the collation of information of satisfaction of performance obligations and obtained confirmations received by the Company from its customers as of reporting date; and
- we performed test check of valuation process carried out by the Company.

Conclusion:-

As a result of the procedures performed, we have been able to conclude that revenue has been recognised in accordance with the revenue recognition policy and Ind AS 115.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not

include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in that regard.

Management's Responsibility or the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue

INDEPENDENT AUDITOR'S REPORT (CONTD.)

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies

used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with

INDEPENDENT AUDITOR'S REPORT (CONTD.)

governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in its standalone financial statements; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

D K Giridharan
Partner
Membership No: 028738
UDIN: 20028738AAAAAY9765

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) a) The Company is maintaining proper records showing full particulars including quantitative details of fixed assets. The Company is in the process of integrating the situation details of fixed assets into the fixed asset records.
- b) The Company has a programme of physical verification of fixed assets in a phased manner in a period of three years. Pursuant to the program, Buildings & Vehicles have been covered by physical verification during the year. The Company is in the process of reconciling the results of the verification with the book records, to identify the discrepancies, if any.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and approved arrangement order of the Honorable High Court of judicature provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made. The Company has not granted any loan accordingly, it is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of services where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund and Employees' State Insurance, income-tax, Goods and Service Tax, customs duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c) There are no dues of Income-tax, Goods and Service Tax, Customs Duty as on March 31, 2020 on account of disputes.
- (viii) According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institution or banks as at the balance sheet date.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) According to the information and explanations given

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where

applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Chennai
Date : June 26, 2020

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

D K Giridharan
Partner
Membership No: 028738
UDIN: 20028738AAAAAY9765

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 6 (f) of the Independent Auditors' Report of even date to the members of S.P.Apparels Limited on the Standalone Financial Statements for the year ended March 31, 2020

We have audited the internal financial controls over financial reporting of S.P.Apparels Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006
D K Giridharan
Partner
Membership No: 028738
UDIN: 20028738AAAAAY9765

Place : Chennai
Date : June 26, 2020

BALANCE SHEET

As at March 31, 2020

(All amounts are in Indian ₹ Millions except share data and as stated)

Particulars	"Note No" D	As at March 31, 2020	As at March 31, 2019
ASSETS			
1 Non Current Assets			
a. Property, Plant and Equipment	1.1	3,956.98	3,099.27
b. Right of Use Assets	1.1	414.08	-
c. Capital work-in-progress	1.1	-	540.22
d. Intangible Assets	1.1	24.89	42.85
		4,395.95	3,682.34
e. Financial Assets			
-Investments	1.2	81.37	81.70
-Loans and Advances	1.3	0.63	18.14
-Others	1.4	171.40	164.79
f. Other non-current assets	1.5	20.95	127.03
		4,670.30	4,074.00
2 Current Assets			
a. Inventories	1.6	2,275.82	2,479.49
b. Financial Assets			
- Investments	1.7	-	0.58
- Trade Receivables	1.8	857.23	1,207.33
- Cash and cash equivalents	1.9	408.87	531.94
- Others	1.10	-	113.12
c. Other current assets	1.11	603.03	436.34
		4,144.95	4,768.80
Total Assets		8,815.25	8,842.80
EQUITY AND LIABILITIES			
Equity			
a. Equity Share capital	1.12	256.93	256.93
b. Other Equity	1.13	4,963.30	4,597.58
		5,220.23	4,854.51
Liabilities			
1 Non-current liabilities			
a. Financial Liabilities			
- Borrowings	1.14	590.99	240.49
- Other Financial liabilities	1.15	132.38	147.10
b. Deferred tax liabilities (net)	1.16	232.55	384.18
c. Other non-current liabilities	1.17	-	-
		955.92	771.77
2 Current liabilities			
a. Financial Liabilities			
- Borrowings	1.18	1,480.14	1,716.22
- Trade payables	1.19		
total outstanding dues of micro enterprises and small enterprises		49.89	72.56
total outstanding dues of creditors other than micro enterprises and small enterprises		702.10	940.35
- Other Financial liabilities	1.20	253.46	294.97
b. Other current liabilities	1.21	72.18	28.23
c. Provisions	1.22	81.33	164.19
		2,639.10	3,216.52
Total Equity and Liabilities		8,815.25	8,842.80

Significant accounting policies and notes to financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Balance Sheet

As per our report of event date attached

For ASA & Associates LLP

Chartered Accountants

Firm Reg. No.: 009571N/N500006

D K Giridharan

Partner, Membership No. : 028738

Place : Chennai

Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan
Managing Director

S. Latha
Executive Director

V.Balaji
Chief Financial Officer

K. Vinodhini
Company Secretary

Place : Avinashi
Date : June 26, 2020

STATEMENT OF PROFIT AND LOSS

For the period ended March 31, 2020

Particulars	“Note No” D	As at March 31, 2020	As at March 31, 2019
INCOME			
1 Revenue from operations	2.1		
2 Other Income	2.2	7,583.10	7,781.42
3 Total Income(1+2)		238.08	34.14
4 EXPENSES			
Cost of materials and services consumed	2.3	2,407.81	2,731.12
Purchases of Stock-in-Trade - Traded goods	2.4	522.87	508.02
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.5	176.59	(402.61)
		3,107.27	2,836.53
Employee benefits expense	2.6	1,950.16	1,861.77
Finance costs	2.7	224.21	60.81
Depreciation and amortisation expense	2.8	316.32	232.79
Other expenses	2.9	1,716.76	1,776.66
Total Expenses		7,314.72	6,768.56
5 Profit/ (Loss) before tax and exceptional items(3-4)		506.46	1,047.00
6 Exceptional Items		97.31	-
7 Profit/ (Loss) before tax (5 -6)		409.15	1,047.00
8 Tax Expense:			
a. Current tax expense		102.98	378.66
b. Short / (Excess) provision for tax relating to prior years		(7.55)	(16.58)
c. Deferred tax		(126.55)	(12.79)
Total Tax Expenses		(31.12)	349.29
9 Net profit/(Loss) for the period (7-8)		440.27	697.71
10 OTHER COMPREHENSIVE INCOME			
A. (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		5.75	4.92
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(1.45)	(1.72)
B (i) Items that will be reclassified to Profit or Loss			
The effective portion of gains and loss on hedging instruments in a cash flow hedge - Translation difference		(105.37)	57.03
(ii) Income tax relating to items that will be reclassified to Profit or Loss		26.52	(19.93)
Total Other Comprehensive Income		(74.55)	40.30
11 TOTAL COMPREHENSIVE INCOME (9+10)		(74.55)	40.30
Earnings per equity share (Net profit/ (loss) for the period after tax / weighted average number of equity shares)		365.72	738.01
a. Basic & Diluted		17.14	27.25

Significant accounting policies and notes to financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Balance Sheet

As per our report of event date attached

For ASA & Associates LLP

Chartered Accountants

Firm Reg. No.: 009571N/N500006

D K Giridharan

Partner, Membership No. : 028738

Place : Chennai

Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan
Managing Director

S. Latha
Executive Director

V.Balaji
Chief Financial Officer

K. Vinodhini
Company Secretary

Place : Avinashi
Date : June 26, 2020

Statement of changes in Equity for the year ended March 31, 2020

(All amounts are in Indian ₹ Millions except share data and as stated)

A. Equity Share Capital

Balance as at April 1, 2018	Change in Equity Share Capital during the year	Balance as at March 31, 2019	Change in Equity Share Capital during the year	Balance as at March 31, 2020
251.68	5.25	256.93	-	256.93

B. Other Equity

	Reserves and surplus			Other Components of Equity		Total
	Securities Premium	Capital Redemption Reserve	Retained earnings	Additional Paid in Equity	Effective portion of cash flow hedges	
2018-19						
Opening balance as at April 1, 2018 - (A)	2,324.63	200.00	1,208.27	90.36	(50.03)	3,773.23
Profit for the year			697.71			697.71
Other comprehensive income					40.30	40.30
Total comprehensive income for the year 2018-19 - (B)			697.71		40.30	738.01
Premium on issue of equity shares	195.31					195.31
Dividend paid (Including dividend distribution tax) for 2017-18 approved by shareholders in annual general meeting held on September 17, 2018			(12.85)			(12.85)
Others Adjustments			(96.12)			(96.12)
Balance as at March 31, 2019 - (C)	2,519.94	200.00	1,797.01	90.36	(9.73)	4,597.58
2019-20						
Opening balance as at April 1, 2019 - (A)	2,519.94	200.00	1,797.01	90.36	(9.73)	4,597.58
Profit for the year			440.27			440.27
Other comprehensive income					(74.55)	(74.55)
Total comprehensive income for the year 2019-20 - (B)			440.27		(74.55)	365.72
Premium on issue of equity shares						
Dividend paid (Including dividend distribution tax) for 2018-19 approved by shareholders in annual general meeting held on September 20, 2019						
Others Adjustments						
Balance as at March 31, 2020 - (C)	2,519.94	200.00	2,237.28	90.36	(84.28)	4,963.30

Significant accounting policies and notes to financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Balance Sheet

As per our report of event date attached
For **ASA & Associates LLP**
Chartered Accountants
Firm Reg. No.: 009571N/N500006

D K Giridharan
Partner, Membership No. : 028738

Place : Chennai
Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan **S. Latha**
Managing Director Executive Director

V.Balaji **K. Vinodhini**
Chief Financial Officer Company Secretary

Place : Avinashi
Date : June 26, 2020

CASH FLOW STATEMENT

For the period ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	506.46	1,047.00
<i>Adjustments for:</i>		
Depreciation and amortization expense	316.32	232.79
(Profit) /loss on Sale of assets	9.18	3.24
Amortisation of Lease prepayments	(3.94)	(1.96)
Bad debts written off	14.32	5.14
Advances written off	-	20.80
Provision for Inventory	-	2.00
Provision for Doubtful Debts	-	5.00
Provision for Interest on Income Tax	-	7.42
Other Adjustments	(0.97)	54.69
Finance costs	175.60	53.39
Interest income	(14.37)	(20.01)
Unrealised exchange (gain)/loss	22.19	(212.53)
Provision for MTM (gain)/loss on forward contracts	58.45	(142.60)
Operating profits before working capital changes	1,083.24	1,054.37
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	189.08	(610.55)
Trade receivables	336.80	355.35
Loans and advances/Current assets	(363.39)	10.03
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables/Other current liabilities/Provisions	(250.04)	109.38
Cash Generated from Operations	995.69	918.58
Net income tax (paid) / refunds	(126.39)	(136.64)
Cash flow before exceptional item	869.30	781.94
Exceptional Item	-	-
Net cash flow from / (used in) operating activities (A)	869.30	781.94
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(515.44)	(862.72)
Proceeds from sale of fixed assets	4.05	4.83
Bank deposits not considered as cash equivalents	107.23	(75.36)
Purchase of investments - Others	(0.03)	-
Proceeds from sale of investments - Others	0.94	308.71
Interest received - Bank deposits	14.37	20.10
Net cash flow from / (used in) investing activities (B)	(388.88)	(604.44)

CASH FLOW STATEMENT (CONTD.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of equity share capital	-	5.25
Proceeds/(repayment) of long term borrowings and finance lease liabilities	(43.44)	(52.01)
Net Increase/(decrease) of working capital borrowings	(277.19)	23.34
Dividend Paid	-	(12.83)
Finance costs	(175.60)	(132.19)
Net cash flow from / (used in) financing activities (C)	(496.23)	(168.44)
Net increase / (decrease) in Cash and bank balances (A+B+C)	(15.81)	9.06
Cash and bank balances at the beginning of the year	95.90	86.85
Effect of exchange differences on restatement of foreign currency Cash and bank balances	(0.03)	(0.01)
Cash and bank balances at the end of the year	80.06	95.90
Cash and bank balances at the end of the year comprises of		
(a) Cash on hand	30.98	37.32
(b) Balances with banks		
in current account	46.12	58.41
in EEFC account	2.96	0.17
	80.06	95.90

Significant accounting policies and notes to financial statements (Refer notes C and D)

As per our report of event date attached

For ASA & Associates LLP

Chartered Accountants

Firm Reg. No.: 009571N/N500006

D K Giridharan

Partner, Membership No. : 028738

Place : Chennai

Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan
Managing Director

S. Latha
Executive Director

V.Balaji
Chief Financial Officer

K. Vinodhini
Company Secretary

Place : Avinashi

Date : June 26, 2020

About the Company and Significant Accounting Policies Forming part of the financial statements

A. Company Overview

S.P. Apparels Limited ('the Company') is a Company domiciled in India. The address of the Company's registered office is 39-A, Extension Street, Kaikattipudur, Avinashi - 641 654, Tirupur District, Tamilnadu, India. The Company is a leading Indian manufacturer and exporter of knitted garments for infants and children. The Company provides end-to-end garment manufacturing services from grey fabric to finished products.

The company was originally started as a partnership firm with seven partners in the year 1988 at Salem. Subsequently the firm was converted into public limited company under Part IX of the Companies Act 1956 in the year 2005. It has currently 28 manufacturing plants at Avinashi, Cheyur, Gobichettipalayam, Koduvai, Kovilpatti, Neelambur, Palangarai, Palladam, Perunduraj, Puliyampatti, Valapady, Samichettipalayam, Sathyamangalam, Sulthanpet, Thekkalur, Vellitirupur, Mylampadi, Kavindapadi, Netaji Apparel Park, Patlur, Annur and Veerapandi. It has 2 subsidiaries namely Crocodile Products Private Limited and S.P.Apparels (UK) Private Limited, mainly catering domestic and international customers respectively.

B. Basis of Accounting and preparation of financial statements

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for Cash Flow Statement and certain financial instruments which are measured on fair value basis. GAAP comprises Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act read together with relevant rules of Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in note C (19). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its

operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1. Statement of Compliance

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity, Cash Flow Statement, together with notes for the year ended March 31, 2020 have been prepared in accordance with Ind AS as notified above duly approved by the Board of Directors at its meeting held on June 26, 2020.

2. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value.
- Financial assets at fair value through other comprehensive income are measured at fair value.
- Financial instruments at fair value through profit or loss are measured at fair value.
- Financial instruments at fair value through other comprehensive income are measured at fair value.
- The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.
- In relation to lease prepayments, the initial fair value of the security deposit is estimated as the present value of the refundable amount, discounted using the market interest rates for similar instruments. The difference between the initial fair value and the refundable amount of the deposit is recognized as a Right of Use Asset.

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note C (17).

3. New and amended Standards

3A. New and amended Standards adopted by the Company

Except for the changes mentioned below, the Company has consistently applied accounting policies to all periods:

a) Ind AS 116 - Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the Standard to all lease contracts

existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of Initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of “Right of Use” asset of ₹417.50 Million, and a lease liability of ₹ 353.38 Million. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The company recognised depreciation on “Right of Use” assets of ₹ 41.69 Million and interest from lease liabilities of ₹ 35.19 Million during the period

Detailed information given in Right of Use Assets Note Please refer to Note D(1.1).

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 (Refer Note D 3.13 of the 2019 Annual Report) and the value of the lease liabilities as of

April 1, 2019 is primarily on account of practical expedients exercised for low value assets and short term leases, inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

b) Ind AS 12 - Income Taxes

Appendix C on Uncertainty over Income tax treatments is effective from April 1, 2019. Appendix C to Income Taxes clarifies the accounting for uncertainties in income taxes. The appendix is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of this appendix did not have any material impact on the financial statement of the company

Additionally, there were amendments to Ind AS 12. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any impact on financial statements of the Company

c) Ind AS 19 - Employee Benefits

Amendments to Ind AS 19, ‘Employee Benefits’ were issued, in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on financial statements of the Company.

3B. New and amended Standards not yet effective and not adopted by the Company

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

4. Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic

environment in which the Company operates (“the functional currency”). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the Company’s presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest millions except where otherwise indicated.

5. Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments
- Useful lives of property, plant and equipment
- Useful lives of intangible assets
- Estimate of Lease term and measurement of Right of Use Assets and Lease Liabilities
- Measurement of defined employee benefit obligations
- Provisions
- Identification of performance obligation and timing of satisfaction of performance obligation, measurement of transaction price on revenue recognition
- Expected Credit losses on Financial Assets
- Impairment testing

Estimation of uncertainty relating to global health pandemic of COVID-19

Recoverability of receivables, contract assets and contract costs, carrying amount of Property, Plant and Equipment and certain investments have all been assessed based on the information available within the company and external sources such as credit reports and economic forecasts. The

company has performed impairment testing and assessed that the carrying amount of these assets will be recovered. The impact of global health pandemic may be different from the date of approval of Financial Statements.

The company has assessed the external environment, short term and long term liquidity position, company’s mitigative actions regarding material uncertainties related to global health pandemic of COVID-19 and on that basis of assessment, the company expects these uncertainties do not cast significant doubt upon the ability of the company to continue as going concern.

Significant judgments on applying Ind AS 115

The Company contracts with customer to transfer goods or services. The Company assess whether such arrangements in the contract has distinct goods or services (performance obligation). Identification of distinct performance obligation involves judgment to determine ability of customer to benefit independently from other promises in the contract.

The judgment is required to measure the transaction price for the contract. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration could be fixed amount or variable amount or could be both. Transaction price could also be adjusted for time value of money if contract includes a significant financing component.

C. SIGNIFICANT ACCOUNTING POLICIES

1. Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the Statement of Profit and Loss for determination of net profit or loss during the period.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations and cash flows are translated to using average exchange rates during the period. Any differences arising on such translation are recognized in other comprehensive income. Such differences are included in the foreign currency translation reserve "FCTR" within other components of equity. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

2. Financial Instruments

a. Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets comprises of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable

to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

(i) Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortisation is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at Amortised cost

- a) Trade receivable
- b) Other financial assets.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends, are recognised in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL):

Financial asset are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

Derecognition of financial assets:

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the Statement of Profit and Loss.

Impairment of financial assets:

Trade receivables, contract assets, lease receivables under Ind AS 109, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for the respective financial asset.

(i) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk.

b. Financial liabilities

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- at amortised cost
- at fair value through profit or loss

(i) Financial liabilities at amortised cost

The company is classifying the following under amortised cost;

- a) Borrowings from banks
- b) Borrowings from others
- c) Finance lease liabilities
- d) Trade payables
- e) Other financial liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL.

Derecognition of financial liabilities:

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

c. Derivative financial instruments

Derivatives are initially recognised at fair value on the date of contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates the derivatives as hedging of foreign exchange risk associated with the cash flows of associated with accounting receivables (Cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as non-current assets or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current assets or liability when the remaining maturity of the

hedged item is less than 12 months. Trading derivatives are classified as current assets or liability.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative changes in fair value of the hedged item on present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/ (losses).

When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Company generally designates only the changes in fair value of the forward contract related to spot commitment as the hedging instrument. Gains or losses relating to the effective portion of the changes in the spot component of the forward contracts are recognised in other comprehensive income in the cash flow hedging reserve within equity. The changes in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full changes in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to effective portion of the changes in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are classified to profit or loss in the periods when the hedged item affects profit or loss (example, when the forecast sale that is hedged take place).

When the hedged forecast transaction results in the recognition of a non-financial assets (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the intrinsic value of the option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the assets. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).
- With respect to gain or loss relating to the effective portion of the spot component of the forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are include within the initial cost of the assets. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instruments expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/ (losses).

If the hedge ratio for risk management purpose is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedged ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

d. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

e. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3. Share capital

Ordinary shares are classified as Equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from Equity, net of any tax effects.

4. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Amounts paid as advances towards the acquisition of Property, Plant and Equipment is disclosed separately under other non-current assets as capital advances and the cost of assets not put to use as on Balance Sheet date are disclosed under "Capital work-in-progress".

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within "other income / other expenses" in the Statement of Profit and Loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or Loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Management's estimated useful lives for the years ended March 31, 2020 and 2019 were as follows:

	Estimated useful life (in years)	Useful life prescribed by Schedule II (in years)
General Plant & Machinery	20 years	15 years
Computers & Servers	5 years	3 to 6 years
Buildings - others	30 years	30 years
Office Equipments	10 years	10 years
Vehicles Car	10 years	8 years
Vehicles Others	8 years	8 years

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

5. Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and previous year are as follows:

Trademark	- 10 years
Other Intangibles(Software)	- 3 - 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

6. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for

any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

7. Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

The Company follows following method:

- Manufacturing inventories are valued at first-in-first-out (FIFO) basis,
- Trading inventories are valued at weighted average cost basis,
- Fabric waste is valued at net realizable value.

8. Impairment of non financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any

indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

Reversal of impairment loss

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

9. Employee benefits

Defined Contribution Plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, discounting that amount

and deducting any recognised past service cost and fair value of any plan assets.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

10. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company

recognises any impairment loss on the assets associated with that contract.

11. Revenue Recognition

The Company earns revenue from export/domestic of manufactured garments, sale of traded garments, sale of products and services at spinning and processing division and right to receive export incentives from Government.

The Company has adopted Ind AS 115 Revenue from Contracts with Customers with effect from April 1, 2018 by using the cumulative effect transition method and accordingly comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 on initial application of INR 96.12 million has been adjusted in the opening retained earnings.

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of third parties. Refer note 11 significant accounting policies in the Company's 2018 annual report for the previous revenue recognition policies.

The revenue recognition in respect of the various streams of revenue is described as follows

Export/Domestic sale of garments:-

Revenue is earned from manufacture and export/domestic sale knitted garments for infants and child wear. Revenue is recognised upon completion of obligation of the Company.

Revenue is recognised at the transaction price agreed with the customer through a sale order received from the customers.

Sale of traded garments:-

Revenue is earned from retail sale of menswear garments in India under the brand "Crocodile". Revenue is recognised as per the obligation terms agreed with its different type of customers as given below:-

- a) Large format stores [LFS] - Arrangement is on sale or return basis with the customer.
- b) Distributor - It is on outright purchase model with the customer.
- c) Franchise owned and Franchise operated [FOFO] - Arrangement is on sale or return basis with FOFO.
- d) Company owned and Company operated [COCO] - Sale is on cash and carry basis.

In respect of LFS & FOFO, identifying the completion of performance obligation by the Company is dependent on completion of sale by LFS & FOFO to the third party, which involves careful collection of information from the customers by the Company.

Sales of products and services at spinning and processing division:-

Revenue is earned from sale of products and services. Revenue is recognised upon completion of services or upon transfer of risk and reward of products to the customer.

Right to receive export incentives from Government:-

The Company has right to receive export incentives under Duty Drawback Scheme, Merchandise Exports from India Scheme and Scheme for Rebate for State Levies [ROSL] on export of garments and made ups.

The Company recognizes export incentive upon fulfilling the conditions established by respective regulations as applicable to the Company and as amended from time to time.

Income is recognised at the value or rate prescribed by respective regulations.

12. Finance Income and expense

Finance income comprises of interest income on funds invested, dividend income, and fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in Statement of Profit and Loss, using the effective interest method. Dividend income is recognized in Statement of Profit and Loss on the date when the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises of interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial assets at fair value through profit or loss that are recognized in Statement of Profit and Loss. Fair value changes attributable to hedged risk are recognised in Statement of Profit and Loss.

13. Government grants, subsidies and export incentives

Grants and subsidies from the government are recognised 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 recognised 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.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

14. Borrowing Costs

Borrowing costs are interest and other costs (including exchange difference relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Interest expense is recognised using effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

15. Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and
- (ii) differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.
- (iii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising out of undistributed earnings of the equity method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the company's share of the income and expenses of the equity method accounted investee is recorded in the statement of income, after considering any taxes on dividend payable by the equity method accounted investee and no deferred tax is set up in the books as the tax liability is not with the company.

16. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

17. Fair value measurement

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by

selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due

to the short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.

(iii) Derivatives

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk free interest rate (based on government bonds). The fair value of foreign currency option contracts is determined based on the appropriate valuation techniques, considering the terms of the contract. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counter party when appropriate.

(iv) Non derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

18. Dividend distribution to Equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

19. Current/ non-current classification

An asset is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months

1.1 Property, Plant and Equipments

The following table presents the changes in property, plant and equipment during the year ended March 31, 2020

Particulars	As at 01/04/2019		As at 31/03/2020		As at 1/4/2019		As at 31/03/2020		As at 31/03/2020		As at 31/03/2019		
	As at 01/04/2019	As at 01/04/2019	As at 31/03/2020	As at 31/03/2020	As at 1/4/2019	As at 1/4/2019	As at 31/03/2020	As at 31/03/2020	As at 31/03/2020	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019	
		Deletions	IND AS Adjustment	IND AS Adjustment	Depreciation for the period	Depreciation withdrawn	IND AS Adjustment	IND AS Adjustment	Depreciation for the period	Depreciation withdrawn	Accumulated depreciation as at 31/03/2020	Net block 31/03/2019	
(a) Land													
Freehold	45.67 (6.34)	10.54 (39.33)	-	-	-	-	-	-	-	-	-	56.21 (45.67)	45.67 (6.34)
(b) Building	1,697.97 (1,606.19)	538.52 (91.78)	-	2,236.49 (1,697.97)	541.82 (489.59)	-	60.42 (52.23)	-	60.42 (52.23)	-	602.24 (541.82)	1,634.25 (1,156.15)	1,156.15 (1,116.60)
(c) Plant & Machinery	2,673.84 (2,577.00)	429.81 (114.79)	44.07 (17.95)	3,059.58 (2,673.84)	1,171.11 (1,067.41)	31.16 (11.11)	129.06 (114.46)	(0.35)	129.06 (114.46)	(11.11)	1,269.01 (1,171.11)	1,790.57 (1,502.73)	1,502.73 (1,509.24)
(d) Electrical Installations	192.76 (164.53)	101.54 (28.39)	-	294.30 (192.76)	86.29 (69.14)	-	20.94 (17.31)	-	20.94 (17.31)	(0.16)	107.23 (86.29)	187.07 (106.47)	106.47 (95.39)
(e) Furniture & Fittings	239.94 (214.63)	29.50 (25.31)	-	269.44 (239.94)	117.38 (100.23)	-	18.94 (17.15)	-	18.94 (17.15)	-	136.32 (117.38)	133.12 (122.56)	122.56 (114.40)
(f) Vehicles	35.16 (35.43)	0.58 (0.02)	1.33 (0.25)	34.41 (35.16)	28.72 (28.11)	-	1.19 (1.46)	-	1.19 (1.46)	1.21 (0.85)	28.70 (28.72)	5.71 (6.44)	6.44 (7.32)
(g) Lab Equipments	10.65 (10.47)	23.81 (0.18)	-	34.46 (10.65)	9.54 (9.32)	-	1.71 (0.22)	-	1.71 (0.22)	-	11.25 (9.54)	23.21 (1.11)	1.11 (1.15)
(h) Office Equipments	173.25 (153.01)	25.44 (20.28)	-	198.69 (173.25)	99.62 (90.88)	-	10.45 (8.76)	-	10.45 (8.76)	-	110.07 (99.62)	88.62 (73.63)	73.63 (62.13)
(i) Computer	174.02 (161.09)	6.14 (12.96)	4.09 (0.03)	176.07 (174.02)	127.78 (115.27)	-	13.95 (12.52)	-	13.95 (12.52)	3.88 (0.01)	137.85 (127.78)	38.22 (46.24)	46.24 (45.82)
Total	5,243.26 (4,928.69)	1,165.88 (333.00)	49.49 (18.43)	6,359.65 (5,243.26)	2,182.26 (1,969.95)	-	256.66 (224.11)	(0.35)	256.66 (224.11)	36.25 (12.15)	2,402.67 (2,182.26)	3,956.98 (3,061.00)	3,061.00 (2,958.39)

Note: Previous year figures are given in brackets.

- (1) Leasehold land and vehicles transferred to right of use asset as per IND AS 116 with effect from April 1, 2019.
- (2) Depreciation as per P&L includes adjustments out of depreciation effect due to TUF grant receivable IND AS adjustments of Rs.Nil (As at March 31, 2019 Rs.12.65 Million).
- (3) The company has elected to continue with the carrying amount of property, plant and equipment measured as per previous GAAP & use that as its deemed cost as at the date of transition to IND AS [i.e., April 1, 2016]. The carrying value as on balance sheet date of those Property, Plant and Equipment are included below.
- (4) Refer note on capital commitment & Security for the borrowings.
- (5) During financial year 2019-20, the company has tested for impairment and no impairment loss is recognised as the estimated recoverable amount of the cash generating unit is greater than the carrying value.

1.1. RIGHT OF USE ASSETS

The following table presents the changes in right of use assets during the period ended March 31, 2020

Particulars	As at	Deletions	IND AS Adjustment	As at	IND AS Adjustment	Depreciation for the period	Depreciation withdrawn	Accumulated depreciation as at 31/03/2020	Net	Net
	01/04/2019			31/03/2020					block 31/03/2020	
(a) Land Lease Hold	13.53	-	-	13.53	1.54	0.13	-	1.67	11.86	11.99
	(13.53)	-	-	(13.53)	(1.41)	(0.13)	-	(1.54)	(11.99)	(12.12)
(b) Vehicle Leasehold	34.46	-	-	34.46	8.18	3.43	-	11.61	22.85	26.28
	(33.75)	(2.49)	(1.78)	(34.46)	(4.89)	(3.29)	-	(8.18)	(26.28)	(28.86)
(c) Building and Land rent		334.67		334.67		30.27		30.27	304.40	-
(d) Land rent - MD and ED		53.42		53.42		1.95		1.95	51.47	-
(e) Lease Prepayment		29.41		29.41		5.91		5.91	23.50	
Total	47.99	417.50	-	465.49	9.72	41.69	-	51.41	414.08	38.27
(Previous year)	(47.28)	(2.49)	(1.78)	(47.99)	(6.30)	(3.42)	-	(9.72)	(38.27)	(40.98)

Note:

- a) Company has adopted modified retrospective approach as per para8(b)(ii) of IND AS 116 with effect from April 1, 2019. As per the standard the Company has recognised right of use asset measured at an amount equal to the lease liability adjusted by amount of any prepaid or accrued lease payments relating to the lease recognised in the balance sheet immediately before the date of initial application.
- b) Company has amortised leased asset over the lease period.

1.1. INTANGIBLE ASSETS

The following table presents the changes in intangible assets during the period ended March 31, 2020

Particulars	As at	Deletions	IND AS Adjustment	As at	IND AS Adjustment	Depreciation for the period	Depreciation withdrawn	Accumulated depreciation as at 31/03/2020	Net	Net
	01/04/2019			31/03/2020					block 31/03/2020	
(a) Goodwill	40.15	-	-	40.15	40.15	-	-	40.15	-	-
	(40.15)	-	-	(40.15)	(40.15)	-	-	(40.15)	-	-
(b) Brand / Trade Marks	117.16	-	-	117.16	76.65	17.18	-	93.83	23.33	40.51
	(117.16)	-	-	(117.16)	(59.53)	(17.13)	-	(76.65)	(40.51)	(57.63)
(c) Softwares	4.09	-	-	4.09	1.75	0.78	-	2.53	1.56	2.34
	(4.09)	-	-	(4.09)	(0.97)	(0.78)	-	(1.75)	(2.34)	(3.12)
Total	161.40	-	-	161.40	118.55	17.96	-	136.51	24.89	42.85
(Previous year)	(161.40)	-	-	(161.40)	(100.65)	(17.91)	-	(118.55)	(42.85)	(60.75)

1.1 Property, Plant and Equipments

The following table presents the changes in property, plant and equipment during the year ended March 31, 2019

Particulars	As at 01/04/2018		Additions	Deletions	IND AS Adjustment	As at 31/03/2019 depreciation	IND AS Adjustment	Depreciation for the period	Depreciation withdrawn	Accumulated depreciation as at 31/03/2019	Net block 31/03/2019	Net block 31/03/2018
	As at 01/04/2018	As at 01/04/2018										
(a) Land												
Freehold	6.34	39.33	-	-	-	45.67	-	-	-	-	45.67	6.34
	(6.34)	-	-	-	-	(6.34)	-	-	-	-	(6.34)	(6.34)
Leasehold	13.53	-	-	-	1.41	13.53	0.13	0.13	-	1.54	11.99	12.12
	(13.53)	-	-	-	(1.28)	(13.53)	(0.13)	(0.13)	-	(1.41)	(12.12)	(12.25)
(b) Building	1,606.19	91.78	-	-	1,697.97	489.59	52.23	52.23	-	541.82	1,156.15	1,116.60
	(1,543.32)	(62.88)	-	-	(1,606.19)	(432.07)	(57.52)	(57.52)	-	(489.59)	(1,116.60)	(1,111.25)
(c) Plant & Machinery	2,577.00	114.79	17.95	(24.79)	2,673.84	1,067.41	0.35	114.46	11.11	1,171.11	1,502.73	1,509.24
	(2,408.50)	(169.46)	(24.79)	(23.83)	(2,577.00)	(976.18)	(1.00)	(108.68)	(18.45)	(1,067.41)	(1,509.24)	(1,455.15)
(d) Electrical Installations	164.53	28.39	0.16	-	192.76	69.14	17.31	17.31	0.16	86.29	106.47	95.39
	(144.85)	(19.68)	-	-	(164.53)	(53.54)	(15.60)	(15.60)	-	(69.14)	(95.39)	(91.31)
(e) Furniture & Fittings	214.63	25.31	-	-	239.94	100.23	17.15	17.15	-	117.38	122.56	114.40
	(188.34)	(26.28)	-	-	(214.63)	(81.99)	(18.24)	(18.24)	-	(100.23)	(114.40)	(106.35)
(f) Vehicles	69.18	2.47	2.03	-	69.62	33.00	4.75	4.75	0.85	36.90	32.72	36.18
	(57.37)	(12.13)	(0.32)	-	(69.18)	(29.04)	(4.28)	(4.28)	(0.32)	(33.00)	(36.18)	(28.34)
(g) Lab Equipments	10.47	0.18	-	-	10.65	9.32	0.22	0.22	-	9.54	1.11	1.15
	(10.30)	(0.17)	-	-	(10.47)	(9.06)	(0.26)	(0.26)	-	(9.32)	(1.15)	(1.24)
(h) Office Equipments	153.01	20.28	0.04	-	173.25	90.88	8.76	8.76	0.02	99.62	73.63	62.13
	(144.19)	(8.82)	-	-	(153.01)	(81.57)	(9.31)	(9.31)	-	(90.88)	(62.13)	(62.62)
(i) Computer	161.09	12.96	0.03	-	174.02	115.27	12.52	12.52	0.01	127.78	46.24	45.82
	(151.02)	(11.33)	(1.26)	-	(161.09)	(104.12)	(12.38)	(12.38)	(1.23)	(115.27)	(45.82)	(46.90)
Total	4,975.97	335.49	20.21	-	5,291.25	1,976.25	0.35	227.53	12.15	2,191.98	3,099.27	2,999.37
(Previous year)	(4,667.76)	(310.75)	(26.37)	(23.83)	(4,975.97)	(1,768.85)	(1.00)	(226.40)	(20.00)	(1,976.25)	(2,999.37)	(2,921.75)

Note: Previous year figures are given in brackets.

- (1) Leasehold land represents land leased from SIPCOT amortised over a period of 99 years and 95 years.
- (2) Depreciation as per P&L includes adjustments out of depreciation effect due to TUF grant receivable IND AS adjustments of Rs.12.65 Million.
- (3) Includes assets purchased under finance lease obligation with Gross Block Rs.34.46 Million (As at March 31, 2018 Rs.33.75 Million) and Net Block Rs. 26.28 Million (As at March 31, 2018 Rs.28.86 Million)
- (4) Refer note on capital commitment & Security for the borrowings.
- (5) During financial year 2018-19, the company has tested for impairment and no impairment loss is recognised as the estimated recoverable amount of the cash generating unit is greater than the carrying value.

1.1. INTANGIBLE ASSETS

The following table presents the changes in intangible assets during the period ended March 31, 2019

Particulars	As at	Additions	Deletions	IND AS Adjustment	As at 31/03/2020 depreciation	IND AS Adjustment	Depreciation for the period	Depreciation withdrawn	Accumulated depreciation as at 31/03/2020	Net block 31/03/2020	Net block 31/03/2019
	01/04/2019										
(a) Goodwill	40.15 (40.15)	-	-	-	40.15 (40.15)	-	-	-	40.15 (40.15)	-	-
(b) Brand / Trade Marks	117.16 (117.16)	-	-	-	117.16 (117.16)	-	17.13 (18.39)	-	76.65 (59.53)	40.51 (57.63)	57.63 (76.02)
(c) Softwares	4.09 (4.09)	-	-	-	4.09 (4.09)	-	0.78 (0.78)	-	1.75 (0.97)	2.34 (3.12)	3.12 (3.90)
Total	161.40 (161.40)	-	-	-	161.40 (161.40)	-	17.91 (19.17)	-	118.55 (100.65)	42.85 (60.75)	60.75 (79.92)

1.2 NON-CURRENT INVESTMENTS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments (Unquoted carried at cost)		
a. Subsidiaries		
i. 266,000 shares (As at March 31, 2019 - 266,000 Shares) of Rs.100/- each fully paid up in Crocodile Products Private Limited	63.74	63.74
ii. 160,000 shares (As at March 31, 2019 - 160,000 Shares) of 1 GBP each fully paid up in S.P. Apparels UK (P) Limited	15.75	15.75
b. Others		
i. Nil shares (As at March 31, 2019 - 36,480 Shares) of Rs. 10 /-each fully paid up in Gayathri Sustainable Energies Private Limited	-	0.36
ii. 674 shares (As at March 31, 2019 - 674 Shares) of Rs. 100/-each fully paid up in Rasi G Energy Private Limited	0.07	0.07
iii. 1,775 shares (As at March 31, 2019 - 1,775 Shares) of Rs. 1000/- each fully paid up in Netaji Apparel Park.	1.77	1.77
iv. 2,300 shares (As at March 31, 2019 - 1435 Shares) of Rs. 10/- each fully paid up in Babu Energy P Ltd, Kancheepuram.	0.02	0.01
v. 137 shares (As at March 31, 2019 - NIL) of Rs. 100/- each fully paid up in Aravind Green Infra P Ltd, Karur	0.01	-
vi. 92 shares (As at March 31, 2019 - NIL) of Rs. 100 /-each fully paid up in Amirthaa Green Infra P Ltd, Karur	0.01	-
Sub total	81.37	81.70
Less: Impairment in Value of Investments	-	-
Total Investment in Equity Instruments	81.37	81.70

1.3 NON-CURRENT LOANS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Loans to Related Parties:		
- Others	0.63	18.14
(Includes ₹ 0.00 Millions and ₹ 17.51 Million from S.P. Apparels UK (P) Limited repayable within 6 months as at March 31, 2020 and March 31, 2019 respectively)		
Total	0.63	18.14

1.4 OTHER NON-CURRENT FINANCIAL ASSETS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
a. Security Deposits	125.32	133.51
b. Others		
EB Deposits	45.72	30.92
Others	0.36	0.36
	46.08	31.28
Total	171.40	164.79

1.5 OTHER NON-CURRENT ASSETS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
a. Prepayments under operating leases	-	13.69
b. Capital Advances (Unsecured, considered good)	10.61	101.40
c. Balance with government authorities (Unsecured, considered good) Sales Tax Deposits	0.21	0.21
d. Others - Unsecured, considered good (unless otherwise stated) Fringe Benefit Tax Receivables	0.04	0.04
Income Tax Receivables	2.51	4.11
Electricity Charges Receivables	7.58	7.58
	10.13	11.73
Total	20.95	127.03

1.6 INVENTORIES

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
a. Raw materials and Components	515.21	514.56
b. Work-in -progress	1,055.63	1,200.68
c. Finished goods	147.39	183.89
d. Stock-in-trade - Traded goods - Garments	393.80	401.40
e. Stores, spares and consumable tools	163.79	178.96
Total	2,275.82	2,479.49

1.7 CURRENT INVESTMENTS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
Units in Mutual Fund (Unquoted Investments) Milestone Real estate fund	-	0.58
Total	-	0.58

1.8 TRADE RECEIVABLES

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
Secured Considered good [includes ₹ 0.19 and ₹ 71.07 (as at March 31, 2019 ₹ 0.19 and ₹ 57.99) from SP Apparels UK (P) Limited and Crocodile Products Private Limited respectively]. Considered doubtful	857.23	1,207.33
	-	5.00
	857.23	1,212.33
Less: Allowance for doubtful debts	-	5.00
Total	857.23	1,207.33

		(₹ in Millions)	
1.9 CASH AND BANK BALANCES		As at March 31, 2020	As at March 31, 2019
a. Cash and Cash Equivalents			
Balances with Banks in Current account		46.12	58.41
Balance with Banks in EFFC account		2.96	0.17
Cash and stamps on hand		30.98	37.32
		80.06	95.90
b. Bank Balances other than (a) above			
In Deposit accounts (liened marked against letter of credit and buyers credit)		328.81	436.04
		328.81	436.04
Total		408.87	531.94

		(₹ in Millions)	
1.10 OTHER CURRENT FINANCIAL ASSETS		As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good unless otherwise stated)			
a. Provision for MTM		-	113.12
Total		-	113.12

		(₹ in Millions)	
1.11 OTHER CURRENT ASSETS		As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good unless otherwise stated)			
a. Prepaid Expenses		18.32	12.15
b. Material advances		93.84	82.22
c. Balances with government authorities			
- Export Incentives Receivables		256.14	225.29
Less: Advance written off		-	(20.80)
		256.14	204.49
- GST Refund receivable		165.33	37.51
- GST Input		6.22	67.80
- TUF receivable		30.01	29.88
- Interest subvention receivable		0.29	1.44
		457.99	341.12
d. Advance Tax(Net of Provisions)		31.89	-
e. Others(Advance)		0.99	0.85
		603.03	436.34

Particulars	(₹ in Millions)			
	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Rs in Millions	Number of shares	Rs in Millions
(a) Authorised				
Equity shares of Rs. 10/- each with voting rights	2,72,50,000	272.50	2,72,50,000	272.50
10% Redeemable cumulative preference shares of Rs.10/- each	2,00,00,000	200.00	2,00,00,000	200.00
	4,72,50,000	472.50	4,72,50,000	472.50
(b) Issued				
Equity shares of Rs. 10/- each with voting rights	2,56,92,600	256.93	2,56,92,600	256.93
	2,56,92,600	256.93	2,56,92,600	256.93
(c) Subscribed and fully paid up				
Equity shares of Rs. 10/- each with voting rights	2,56,92,600	256.93	2,56,92,600	256.93
	2,56,92,600	256.93	2,56,92,600	256.93
Total	2,56,92,600	256.93	2,56,92,600	256.93

Notes

i) Terms & Condition of Equity shares

The Company has only one class of equity shares having a par face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The Dividend, if any, proposed by the Board of Directors has to be approved by the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of holding in that class of shares	Number of shares	% of holding in that class of shares
a) Equity Shares with voting rights				
Mr. P.Sundararajan	1,27,84,273	49.76%	1,27,84,273	49.76%
Ms. S.Latha	30,24,509	11.77%	30,24,509	11.77%
UTI Balanced Fund	13,30,392	5.18%	13,30,392	5.18%
Goldman Sachs India Limited	12,23,399	4.76%	13,38,597	5.21%

iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue during the year	Closing Balance
Equity shares with voting rights			
Period ended March 31, 2020			
- Number of shares	2,56,92,600		2,56,92,600
- Amount (Rs. 10 each)	25,69,26,000		25,69,26,000
Period ended March 31, 2019			
- Number of shares	2,51,67,600	5,25,000	2,56,92,600
- Amount (Rs. 10 each)	25,16,76,000	52,50,000	25,69,26,000

(₹ in Millions)

1.13 OTHER EQUITY

a. Securities Premium Account

Balance as at the beginning of the period
Add: Pursuant to business combination
Add: Premium on issue of shares
Less: Expenses incurred on issue of Shares

Balance as at the end of the period

The reserve has been created when equity shares have been issued at a premium. This reserve may be utilised to issue fully paid-up bonus shares, buy-back of equity shares or writing off expenses incurred on issue of equity shares.

b. Capital Redemption Reserve

Balance as at the beginning of the year
Add: Addition during the year
Balance as at the end of the period

The reserve has been created as per section 55 (2) (c) of Companies Act, 2013 based on the proposal for redemption of preference shares during the board meeting held on March 15, 2018.

The company has sought approval of the Shareholders of the Company by Postal Ballot process pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Resolution(s) as set out in the Postal ballot Notice dated 15th March, 2018 for the following

- a. Variation of the terms of issue of the 10% Redeemable Cumulative Preference Shares and its redemption
- b. Issue of 528000 Equity Shares to Promoter of the Company on preferential basis. The approval received from shareholders and concluded on April 23, 2018.

The shares are proposed to be redeemed out of the profits of the company. Accordingly, out of accumulated profits, a sum equal to the nominal amount of the shares to be redeemed, has been transferred to a reserve, to be called the Capital Redemption Reserve Account.

c. Additional Paid in Equity

Balance as at the beginning of the year
Add: On Issue of Preference Shares to Equity Share holders
Add: On Acceptance of unsecured Loans from Share holders
Less: Redemption of Preference Shares
Balance as at the end of the period

	As at March 31, 2020	As at March 31, 2019
a. Securities Premium Account		
Balance as at the beginning of the period	2,519.94	2,324.63
Add: Pursuant to business combination	-	-
Add: Premium on issue of shares	-	195.31
Less: Expenses incurred on issue of Shares	-	-
Balance as at the end of the period	2,519.94	2,519.94
b. Capital Redemption Reserve		
Balance as at the beginning of the year	200.00	200.00
Add: Addition during the year	-	-
Balance as at the end of the period	200.00	200.00
c. Additional Paid in Equity		
Balance as at the beginning of the year	90.36	90.36
Add: On Issue of Preference Shares to Equity Share holders	-	-
Add: On Acceptance of unsecured Loans from Share holders	-	-
Less: Redemption of Preference Shares	-	-
Balance as at the end of the period	90.36	90.36

d. Retained Earnings (Surplus in Statement of Profit and Loss)

Balance as at the beginning of the year	1,797.01	1,208.27
Add: Current year profit	440.27	697.71
Less:		
Ind AS 115 adjustments for changes in Accounting Policies	-	(96.12)
Dividend 2017-18	-	(12.85)
Balance as at the end of the year	2,237.28	1,797.01

e. Other Comprehensive Income

Items that will be reclassified to Profit or Loss		
Opening balance	(9.73)	(50.03)
Add: Current year transfer from statement of profit & loss	(74.55)	40.30
Closing balance	(84.28)	(9.73)
Total Other Equity	4,963.30	4,597.58

(₹ in Millions)

1.14 NON-CURRENT BORROWINGS

a. Secured Borrowings at Amortised Cost

	As at March 31, 2020	As at March 31, 2019
Term Loan from banks (Refer Note 1 below)	232.21	208.09
Long term maturity of finance lease obligations [Including Right of use Asset obligation -Note -2]	351.24	8.27

b. Unsecured Borrowings at Amortised Cost

Loans and Advances from related parties	7.54	24.13
Total	590.99	240.49

1. With respect to Term Loans from Banks, 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. Promoters guarantee and security has been provided in cases of non-provision of first charge on fixed assets to banks.

- Loan amounting to ₹ 42.38 Million (Previous year ₹ 57.53 Million) is repayable in 12 quarterly installments
- Loan amounting to ₹ 60.44 Million (Previous year ₹ 75.56 Million) is repayable in 16 quarterly installments
- Loan amounting to ₹ 16.65 Million (Previous year ₹ 22.21 Million) is repayable in 12 quarterly installments
- Loan amounting to ₹ 78.92 Million (Previous year ₹ 23.72 Million) is repayable in 16 quarterly installments
- Loan amounting to ₹ 3.81 Million (Previous year ₹ 10.87 Million) is repayable in 4 quarterly installments
- Loan amounting to ₹ 93.61 Million (Previous year - 105.5) is repayable in 16 quarterly installments
- Loan amounting to ₹ 22.58 Million (Previous year ₹ Nil) is repayable in 20 quarterly installments
- Loan amounting to ₹ Nil (Previous year - ₹ 9.69 Million)
- Interest rate relating to term loans from banks is in the range of 8.75% to 11.55% (Previous Year : 10.50 % to 10.90 %.)
- Unsecured loan from promoters are repayable after one year.
- Finance Lease repayable with in a period from one year to 5 years and has been secured by Hypothecation of asset purchased under hire purchase.
- The Company has not defaulted in repayment of principles and interest during the year.
- Refer Note 1.20 for Current Maturities of Long Term Borrowings.

2. All operating lease arrangements has been evaluated for IND AS 116 and applicable arrangements are considered for accounting after discounting of rental cash flows at the rate of 10% per annum.

The following is the movement in lease liabilities during the Year ended March 31, 2020

Particulars	Amount
Balance as of April 1, 2019	13.63
Additions	353.38
Finance cost accrued during the year	35.19
Deletions	-
Payment of lease liabilities	(46.21)
Balance as of March 31, 2020	<u>355.99</u>

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis

Particulars	Amount
Less than one year	58.60
One to five years	275.69
More than five years	221.74
Total	<u>556.03</u>

Amounts recognised in profit or loss for the year ended March 31, 2020

Particulars	Amount
Interest on lease liabilities	35.19
Expenses relating to leases of low-value assets, including short-term leases of low value assets	80.97
	<u>116.16</u>

(₹ in Millions)

1.15 OTHER NON-CURRENT FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019
a. Other Trade Deposits	15.35	16.83
b. Deferred Govt Grant Receivables	117.03	130.27
Total	132.38	147.10

(₹ in Millions)

1.16 DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2020	As at March 31, 2019
a. Deferred tax liabilities	232.55	384.18
b. Deferred tax (assets)		
Total Deferred tax (assets)/ liabilities before Minimum Alternate Tax [MAT] Credit entitlement as per Income Tax Act, 1961	232.55	384.18
MAT Credit entitlement		
Total Deferred tax (assets)/ liabilities after MAT Credit entitlement - Refer Note 3.1	232.55	384.18
Deferred tax liability / (assets) in relation to:		
- Property, plant and equipment (including Intangible assets)	(328.80)	455.35
- Other temporary differences (income tax disallowance, land indexation, loan raising expenses etc)	96.25	(71.17)
Total	(232.55)	384.18

(₹ in Millions)

1.17 OTHER NON-CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Lease Income Deferral	-	-
Total	-	-

(₹ in Millions)

1.18 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2020	As at March 31, 2019
Secured Borrowings at amortised cost		
Loans from Banks		
(Includes Cash Credit, Working capital demand loans, Packing credit, etc)	1,480.14	1,716.22
Total	1,480.14	1,716.22

(₹ in Millions)

1.19 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
Trade payables - including acceptances		
- Micro enterprises and small enterprises	49.89	72.56
[Refer note 3.14 to the Financial Statements]		
- Other Trade Payables	702.10	940.35
Total	751.99	1,012.91

(₹ in Millions)

1.20 CURRENT FINANCIAL LIABILITIES - Others

	As at March 31, 2020	As at March 31, 2019
a. Current maturities of Long-term debts at amortised cost (Refer Note 1.14)	86.57	96.99
b. Interest accrued but not due on borrowings	-	-
c. Interest accrued and due on borrowings	-	-
d. Current maturities of finance lease obligations	4.75	5.36
e. Proposed dividend on cumulative preference shares including DDT	0.02	0.02
f. Capital Creditors	50.58	31.18
g. Employee Benefits	111.54	161.42
includes payables to Key Managerial Personnel		
P. Sundararajan [Managing Director ₹ 0.31 (as at March 31, 2019 ₹ 0.00)]		
S. Latha [Executive Director ₹ 0.10 (as at March 31, 2019 ₹ 0.00)]		
S. Chenduran [Director Operations ₹ 0.13 (as at March 31, 2019 ₹ 0.00)]		
Total	253.46	294.97

(₹ in Millions)

1.21 OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
a. Statutory Liabilities	21.08	28.23
b. Provision for MTM	51.10	-
Total	72.18	28.23

(₹ in Millions)

1.22 OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	-	102.04
Provision for employee benefits		
Gratuity net off funds	81.33	62.15
	81.33	164.19

		(₹ in Millions)	
2.1 REVENUE FROM OPERATIONS		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
a. Sale of Products			
Manufactured goods			
Garments		5,740.91	6,212.94
Yarn		234.13	40.62
Fabric		47.45	30.15
Cotton Waste		109.36	47.62
Traded Goods			
Garments		776.30	817.79
Total		6,908.15	7,149.12
b. Revenue From Services			
Dyeing charges		195.28	194.47
Embroidery charges		2.09	2.93
Printing charges		(0.47)	0.65
Others		19.63	1.16
Total		216.53	199.21
c. Other Operating revenue			
Duty Draw Back and other Export Incentives		458.38	432.98
Sale of Scrap		0.04	0.11
Total		458.42	433.09
Total Other Income		7,583.10	7,781.42

		(₹ in Millions)	
2.2 OTHER INCOME		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
a. Interest Income from			
Bank Deposits		14.37	20.01
Lease Deposits		3.94	1.96
Total		18.31	21.97
b. Other Non-operating Income			
Profit on Sale of Investment		0.03	10.72
Foreign Exchange Gain (Net)		219.56	-
Rental Income on Deposits		-	0.02
Others		0.18	1.43
Total		219.77	12.17
Total Other Income		238.08	34.14

(₹ in Millions)

2.3 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock	693.52	653.43
Purchases	2,393.30	2,771.21
	3,086.82	3,424.64
Less:		
Closing Stock	679.01	693.52
Total Cost of Materials Consumed	2,407.81	2,731.12

(₹ in Millions)

2.4 PURCHASE OF STOCK-IN-TRADE - TRADED GOODS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Garments	522.87	508.02
Total Cost of Materials Consumed	522.87	508.02

(₹ in Millions)

2.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Changes in Inventories		
Work-in-progress	145.06	(334.37)
Finished goods	36.51	(78.62)
Stock in trade	(4.98)	10.38
Net Change	176.59	(402.61)
Total Changes in Inventories	176.59	(402.61)

(₹ in Millions)

2.6 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	1,608.78	1,560.22
Contribution to provident, gratuity and other funds	128.30	111.28
Welfare expenses	213.08	190.27
Total Employee benefit expenses	1,950.16	1,861.77

(₹ in Millions)

2.7 FINANCE COST

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense	109.39	102.21
Interest Expense on Trade Deposits	1.21	0.67
Interest Expense on Right of Use Asset	35.19	-
Interest Expense on Unsecured Loan	7.24	9.89
Other borrowing costs	30.49	37.98
Exchange loss on foreign currency	40.69	(89.94)
Total Finance cost	224.21	60.81

(₹ in Millions)

2.8 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Tangible assets		
Buildings	60.42	52.23
Plant and equipment	129.07	114.46
Electrical Installations	20.94	17.31
Furniture and fittings	18.94	17.14
Office equipments	10.45	8.76
Lab Equipments	1.71	0.22
Computers	13.95	12.52
Vehicles	1.19	1.46
Right of Use Asset		
- Land	0.13	0.13
- Vehicles	3.43	3.29
- Others	38.13	
Total on Tangible Assets	298.36	227.52
b. Intangible Assets		
Brand/Trademarks - Acquired	17.18	17.14
Softwares - Acquired	0.78	0.78
Depreciation Income - for Grant (Refer note 2 under Fixed Asset schedule 1.1)	-	(12.65)
Total on Intangible Assets	17.96	5.27
Total Depreciation and Amortisation expenses	316.32	232.79

(₹ in Millions)

2.9 OTHER EXPENSES

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power & Fuel	310.89	219.02
Repairs & Maintenance - Building	37.85	37.18
Repairs & Maintenance - Machinery	77.40	62.09
Repairs & Maintenance - Others	43.99	44.21
Fabrication Charges	62.93	74.71
Other Manufacturing Expenses	678.01	861.32
Payments to Auditors [Refer note 2.9 (i)]	1.50	1.50
Insurance	9.71	5.96
Legal & Professional Charges	17.92	13.80
Loss on Sale of Fixed Assets	9.18	3.24
Printing and stationery	11.57	11.75
Communication	3.15	3.92
Travelling and conveyance	42.54	47.92
Factory lease rent	12.69	6.63
Rent	68.28	65.79
Rent Expenses- Lease	-	2.14
Rates and taxes	15.70	15.70
Donation	10.26	1.83
Expenditure on Corporate Social Responsibility (Refer Note:3.15)	15.85	14.92
Director sitting fees	0.52	0.44
Commission	1.49	2.75
Freight and forwarding	147.15	143.05
Discount and allowance	13.23	12.49
Business promotion	24.77	28.44
Royalty	11.06	23.49
Bad Debts	14.32	5.14
Advances written off	-	20.80
Loss on Foreign Exchange	-	159.16
Provision for Inventory	-	2.00
Provision for Debtors	-	5.00
Provisions for MTM (Gain)/Loss on forward contracts	58.45	(142.60)
Miscellaneous expenses	16.35	22.87
Total Other Expenses	1,716.76	1,776.66
(i) Payment to auditors comprises:		
As auditors - statutory audit	1.20	1.20
For other services	0.30	0.30
Total	1.50	1.50

3.1 Deferred tax assets and liabilities

Recognised deferred tax assets/liabilities	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment	(328.80)	(455.35)
Derivative Adjustments	24.41	24.41
Recognised in Equity	3.42	(21.65)
Others	68.42	68.41
Minimum Alternate Tax [MAT] credit entitlement as per Income Tax Act, 1961	-	-
Net deferred tax (liabilities)/assets recognised in Balance Sheet	(232.55)	(384.18)

Movement in temporary differences during current and previous year	Property, Plant and Equipment	Derivative Adjustments	Other Equity	Others
Balance as at April 1, 2018	(426.20)	24.41	26.47	-
Recognised in income statement	(29.15)	-	-	68.41
Recognised in Equity	-	-	(48.12)	-
Balance as at March 31, 2019	(455.35)	24.41	(21.65)	68.41
Recognised in income statement	126.55	-	-	0.01
Recognised in Equity	-	-	25.07	-
Balance as at March 31, 2020	(328.80)	24.41	3.42	68.42

Income tax expense recognized in profit or loss	As at March 31, 2020	As at March 31, 2019
Current Tax expense/ (reversal)	102.98	378.66
Deferred Tax expense	(126.55)	(12.79)
Permanent differences	-	-
IND AS transition tax affect	-	-
Others	-	-
	(23.57)	365.87

Reconciliation of effective tax rates

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

	As at March 31, 2020	As at March 31, 2019
Profit before taxes	409.15	1,047.00
Enacted tax rates in India	25.17%	34.94%
Expected tax expense/(benefit)	102.98	365.86

3.2 Expenditure in foreign currency Expenditure (on accrual basis)

	Year ended March 31, 2020	Year ended March 31, 2019
Travelling expenses	4.81	1.81
Others	341.58	556.60
	346.39	558.41

3.3 Payments to directors (other than managing director and executive director)

	Year ended March 31, 2020	Year ended March 31, 2019
Sitting fees	0.52	0.44
Consultancy fees	-	-

3.4 Earnings Per Share

(a) Weighted average number of shares - Basic & Diluted

	Year ended March 31, 2020	Year ended March 31, 2019
Paid-up equity share capital (face value Rs. 10/-) [Amount]	25,69,26,000	25,60,51,000
Face Value per share [Amount]	10.00	10.00
Weighted average number of equity shares outstanding	2,56,92,600	2,56,05,100

3.5 Foreign currency exposure

As at March 31, 2020

Particulars	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Cash and cash equivalent			
Cash in hand	USD	0.00	0.13
	GBP	0.00	0.15
	EUR	0.00	0.09
	SGD	0.00	0.02
	HKD	0.00	0.02
	BAHT	0.00	0.00
			0.41
EEFC A/c	AED	0.00	0.00
	USD	0.00	0.00
	GBP	0.00	0.00
	EUR	0.04	2.94
			2.94
Amounts receivable in foreign currency on account of:			
Trade Receivables	USD	2.75	207.44
	GBP	1.08	100.98
	EUR	0.96	79.60
			388.02

Particulars	As at March 31, 2020		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Loans and Advances	USD	0.05	3.75
	EUR	0.03	2.48
			6.23
Amounts payable in foreign currency on account of:			
Trade Payables	USD	0.04	3.25
	EUR	0.14	11.77
			15.01
PCFC account	USD	2.11	159.17
	GBP	1.97	183.13
	EUR	-	-
			342.30
Buyers Credit	USD	-	-
	EUR	0.25	21.05
			21.05

The details of foreign currency exposure as at March 31, 2019 are as follows:

Particulars	As at March 31, 2019		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Cash and cash equivalents			
Cash in Hand	USD	0.00	0.17
	GBP	0.00	0.04
	EUR	0.00	0.04
	SGD	0.00	0.02
	HKD	0.00	0.01
	AED	0.00	0.02
			0.30
In EFFC Accounts	USD	0.00	0.01
	GBP	0.00	0.03
	EUR	0.00	0.13
			0.17
Amounts receivable in foreign currency on account of:			
Trade Receivables	USD	5.07	350.84
	GBP	3.29	297.28
	EUR	2.36	183.59
			831.71
SP UK - Loans and Advances	EUR	0.23	17.51
			17.51

Particulars	As at March 31, 2019		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts payable in foreign currency on account of:			
PCFC account	USD	1.97	136.51
	GBP	0.88	79.96
	EUR	3.78	294.04
			510.51
Buyers Credit	USD	0.34	23.34
	EUR	1.37	106.35
			129.69

3.6 Employee benefits

a. Defined benefit plans (Gratuity)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation (Gratuity)

Particulars

	Year ended March 31, 2020	Year ended March 31, 2019
Projected benefit obligation at the beginning of the year	79.75	70.01
Service cost	20.55	19.94
Interest cost	5.40	5.74
Remeasurement (gain)/losses	(6.12)	(8.49)
Benefits paid	(5.74)	(7.45)
Projected benefit obligation at the end of the year	93.84	79.75

Change in the fair value of plan assets

Particulars

	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets at the beginning of the year	17.60	15.15
Interest income	1.02	1.10
Employer contributions	-	8.82
Benefits paid	(5.74)	(7.45)
Return on plan assets, excluding amount recognised in net interest expense	(0.37)	(0.02)
Fair value of plan assets at the end of the year	12.51	17.60

Amount recognised in the Balance Sheet

Particulars

	Year ended March 31, 2020	Year ended March 31, 2019
Present value of projected benefit obligation at the end of the year	93.84	79.75
Fair value of plan assets at the end of the year	(12.51)	(17.60)
Funded status amount of liability recognised in the Balance Sheet	81.33	62.15

Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	20.55	19.94
Interest cost	5.40	5.74
Interest income	(1.02)	(1.10)
Net gratuity costs	24.93	24.58
Actual return on plan assets	-	-

Summary of actuarial assumptions

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	5.58%	7.05%
Expected rate of return on plan assets	5.58%	7.05%
Salary escalation rate	2.00%	3.00%
Attrition rate	50.00%	50.00%

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

Contributions: The Company expects to contribute ₹ 17.57 Millions to its gratuity fund during the year ending March 31, 2021.

The expected cash flows over the next few years are as follows:

Year	Discounted Amount	Undiscounted Amount
1 year	26.87	27.96
2 to 5 years	34.52	39.86
6 to 10 years	12.80	18.58
More than 10 years	32.62	31.28

Plan assets: The Gratuity plan's weighted-average asset allocation at March 31, 2020 and March 31, 2019, by asset category is as follows:

	March 31, 2020	March 31, 2019
Funds managed by insurers	100%	100%

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	March 31 2020		March 31 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	3.36	(3.10)	2.66	(2.57)
(% change compared to base due to sensitivity)	3.55%	-3.28%	3.34%	-3.22%
Salary Growth rate (-/+ 1%)	(2.70)	2.89	(2.21)	2.26
(% change compared to base due to sensitivity)	-2.85%	3.06%	-2.77%	2.83%

b. Contributions to defined contribution plans

In accordance with Indian law, all employees receive benefits from a provident fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The company contributed ₹ 28.92 and ₹ 22.26 during the year ended March 31, 2020 and March 31, 2019 respectively.

3.7 Segment Reporting

The Chief Operating Decision Maker ("CODM"), the Board of Directors and the senior management, evaluate the Company's performance as a whole

The Company is in manufacturing of knitted garment. Accordingly revenue represented by geography is considered for segment information.

Segment Revenue	March 31, 2020	March 31, 2019
Outside India	5,677.51	6,186.42
Within India	1,905.59	1,595.00
Total	7,583.10	7,781.42

3.8 Financial instruments

a. Derivative financial instruments

i. Forward and option contracts

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts are initially recognized at fair value on the date the contract is entered into and subsequently re-measured at their fair value. Gains or losses arising from changes in the fair value of the derivative contracts are recognized immediately in profit or loss. The counterparties for these contracts are generally banks or financial institutions. The details of outstanding forward contracts as at March 31, 2020 and March 31, 2019 are given below:

Particulars	Currency	As at	As at
		March 31, 2020	March 31, 2019
	USD	11.75	11.10
Forward contracts (Sell)	EUR	7.75	6.45
	GBP	6.51	11.15
(Gain) / loss on mark to market in respect of forward contracts outstanding	INR	50.70	(113.12)

The Company recognized a net loss on the forward contracts of ₹ 163.82 (Previous year : net gain of ₹ 199.62) for the year ended March 31, 2020.

The forward exchange contracts and option contracts mature between one and twelve months. The table below summarizes the notional amounts of derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	USD	USD	EUR	EUR	GBP	GBP
Not later than one month	0.75	0.75	0.25	0.95	0.86	1.15
Later than one month and not later than three months	3.00	4.85	1.25	1.50	2.10	3.25
Later than three months and not later than six months	5.50	4.50	3.00	2.75	2.35	5.00
Later than six months and not later than one year	2.50	1.00	3.25	1.25	1.20	1.75
Total	11.75	11.10	7.75	6.45	6.51	11.15

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2020 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	1.88	1.88	1.88
Trade receivables	857.23	-	-	857.23	857.23
Cash and cash equivalents	408.87	-	-	408.87	408.87
Other financial assets	172.03	-	-	172.03	172.03
Derivative financial instruments	-	-	-	-	-
Liabilities					
Borrowings from banks	318.78	-	-	318.78	318.78
Borrowings from others	7.54	-	-	7.54	7.54
Bank overdraft	1,480.14	-	-	1,480.14	1,480.14
Finance lease liabilities	355.99	-	-	355.99	355.99
Trade payables	751.99	-	-	751.99	751.99
Other financial liabilities	294.52	-	-	294.52	294.52

The carrying value and fair value of financial instruments by each category as at March 31, 2019 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	2.79	2.79	2.79
Trade receivables	1,207.33	-	-	1,207.33	1,207.33
Cash and cash equivalents	531.94	-	-	531.94	531.94
Other financial assets	182.93	-	-	182.93	182.93
Derivative financial instruments	-	99.05	14.07	113.12	113.12
Liabilities					
Borrowings from banks	305.08	-	-	305.08	305.08
Borrowings from others	24.13	-	-	24.13	24.13
Bank overdraft	1,716.22	-	-	1,716.22	1,716.22
Finance lease liabilities	13.63	-	-	13.63	13.63
Trade payables	1,012.91	-	-	1,012.91	1,012.91
Other financial liabilities	339.72	-	-	339.72	339.72
Derivative Financial Instruments					

Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2020 and 2019 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

	As at March 31, 2020	As at March 31, 2019
Trade receivables	857.23	1,207.33
Cash and cash equivalents	408.87	531.94
Total	1,266.10	1,739.27

c. Fair value measurements:

The details of assets and liabilities that are measured on fair value on recurring basis are given below:

	Fair value as of March 31, 2020			Fair value as of March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Derivative financial assets - gain on outstanding option/forward contracts		-			113.12	
Liabilities						
Derivative financial assets - loss on outstanding option/forward contracts		50.70			-	

- Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - unobservable inputs for the asset or liability

d. Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

Recognised deferred tax assets/liabilities	As at March 31, 2020	As at March 31, 2019
(a) Financial assets at amortised cost		
Interest income on bank deposits	14.37	20.01
Interest income on other financial assets	3.94	1.96
(b) Financial assets at fair value through profit or loss (FVTPL)		
Net gains/(losses) on fair valuation of derivative financial instruments	-	142.60
(c) Financial liabilities at fair value through profit or loss (FVTPL)		
Net gains/(losses) on fair valuation of derivative financial instruments	(58.45)	-
(d) Financial assets at fair value through profit or loss (FVTOCI)		
Net gains/(losses) on fair valuation of derivative financial instruments	-	57.03
(e) Financial liabilities at fair value through profit or loss (FVTOCI)		
Net gains/(losses) on fair valuation of derivative financial instruments	(105.37)	-
(f) Financial liabilities at amortised cost		
Interest expenses on lease obligations	(36.40)	(0.67)
Interest expenses on borrowings from banks, others and overdrafts	(116.63)	(112.10)

3.9 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, treasury operations and other activities that are in the nature of leases.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. The Company is not exposed to concentration of credit risk to any one single customer since the services are provided to and products are sold to customers who are spread over a vast spectrum and hence, the concentration of risk with respect to trade receivables is low. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of the business.

Cash and cash equivalents and other investments

In the area of treasury operations, the Company is presently exposed to counter-party risks relating to short term and medium term deposits placed with public-sector banks, and also to investments made in mutual funds.

The Chief Financial Officer is responsible for monitoring the counterparty credit risk, and has been vested with the authority to seek Board's approval to hedge such risks in case of need.

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2020 and 2019 was as follows:

	As at March 31, 2020	As at March 31, 2019
Other investments	1.88	2.79
Trade receivables	857.23	1,207.33
Cash and cash equivalents	408.87	531.94
Other financial assets	172.03	182.93
	1,440.01	1,924.99

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables have been considered from the date of invoice. The ageing of trade receivables, net of allowances that are past due, is given below:

	As at March 31, 2020	As at March 31, 2019
Period (in days)		
Past due 0 - 180 days	379.50	1,093.96
More than 181 days	477.73	113.36
	857.23	1,207.33

Note:

Other financial assets ₹ 172.03 as at March 31, 2020 (₹ 182.93 as at March 31, 2019) has not been impaired.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Company has concluded arrangements with well reputed Banks, and has unused lines of credit that could be drawn upon should there be a need. The Company is also in the process of negotiating additional facilities with Banks for funding its requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at March 31, 2020	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years
Non-derivative financial liabilities					
Borrowings from banks	318.78	345.78	94.72	245.24	5.82
Borrowings from others	7.54	7.54	7.54	0.00	0.00
Bank overdraft	1,480.14	1,480.14	1,480.14	0.00	0.00
Finance lease liabilities	355.99	556.03	58.60	275.69	221.74
Trade payables	751.99	751.99	751.99	0.00	0.00
Other financial liabilities	294.52	294.52	294.52	0.00	0.00
	3,208.96	3,436.00	2,687.51	520.93	227.56
As at March 31, 2019					
	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years
Non-derivative financial liabilities					
Borrowings from banks	305.08	398.34	96.99	241.66	59.69
Borrowings from others	24.13	24.13	24.13	0.00	0.00
Bank overdraft	1,716.22	1,716.22	1,716.22	0.00	0.00
Finance lease liabilities	13.63	15.64	5.36	9.98	0.30
Trade payables	1,012.91	1,012.91	1,012.91	0.00	0.00
Other financial liabilities	339.72	339.72	339.72	0.00	0.00
	3,411.69	3,506.96	3,195.33	251.64	59.99

Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Currency risk:

The Company's exposure in USD, GBP, Euro and other foreign currency denominated transactions gives rise to Exchange rate fluctuation risk. Company's policy in this regard incorporates:

- Forecasting inflows and outflows denominated in USD, GBP and EUR for a twelve-month period
- Estimating the net-exposure in foreign currency, in terms of timing and amount.
- Determining the extent to which exposure should be protected through one or more risk-mitigating instruments to maintain the permissible limits of uncovered exposures.
- Carrying out a variance analysis between estimate and actual on an ongoing basis, subject to review by Audit Committee.

The Company's exposure to foreign currency risk as at March 31, 2020 was as follows:

	Cash and cash equivalents	Trade receivables	PCFC Accounts	Buyers Credit & Creditors	Foreign currency loans and Advances	Net Balance Sheet exposure
USD	0.00	2.75	(2.11)	(0.04)	0.05	0.65
GBP	0.00	1.08	(1.97)			(0.89)
EUR	0.04	0.96		(0.40)	0.03	0.63
SGD	0.00					0.00
HKD	0.00					0.00
BAHT	0.00					0.00
AED	0.00					0.00

The Company's exposure to foreign currency risk as at March 31, 2019 was as follows:

	Cash and cash equivalents	Trade receivables	PCFC Accounts	Buyers Credit & Creditors	Foreign currency loans and Advances	Net Balance Sheet exposure
USD	0.00	5.07	(1.97)	(0.34)		2.76
GBP	0.00	3.29	(0.88)			2.41
EUR	0.00	2.36	(3.78)	(1.37)	0.23	(2.56)
SGD	0.00					0.00
HKD	0.00					0.00
BAHT	0.00					0.00
AED	0.00					0.00

A 10% strengthening of the rupee against the respective currencies as at March 31, 2020 and 2019 would have increased / (decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

	Other comprehensive income	Profit/(loss)
March 31, 2020	-	1.93
March 31, 2019	-	20.95

A 10% weakening of the rupee against the above currencies as at March 31, 2020 and 2019 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest - bearing financial instruments were as follows:

Recognised deferred tax assets/liabilities

	Carrying amount	
	March 31, 2020	March 31, 2019
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	328.81	436.04
Financial liabilities		
- Borrowings from banks	318.78	305.08
- Borrowings from others	7.54	24.13
Variable rate instruments		
Financial liabilities		
- Bank overdrafts	1,480.14	1,716.22
Interest expenses on borrowings from banks, others and overdrafts	(116.63)	(112.10)

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis has been performed on the same basis for 2019.

Equity	Profit or (loss)
March 31, 2020	(14.80)
March 31, 2019	(17.16)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

Impact of Hedging Activities

a) Disclosure of effects of hedge accounting on financial positions

Cash flow Hedge - Foreign Exchange forward Contracts - March 2020

Asset value	Carrying amount of hedging instrument	Maturity date	Hedge Ratio*	Weighted Average strike price/rate	Changes in fair value of hedging instrument	Changes in value of Hedged item used as the basis for recognising hedge reserve
857.23	2,005.26	April 2020 to March 2021	1:1	Euro- 83.35 GBP-94.07 USD-73.29	50.70	50.70

Cash flow Hedge - Foreign Exchange forward Contracts - March 2019

Asset value	Carrying amount of hedging instrument	Maturity date	Hedge Ratio*	Weighted Average strike price/rate	Changes in fair value of hedging instrument	Changes in value of Hedged item used as the basis for recognising hedge reserve
1,207.33	2,277.95	April 2019 to January 2020	1:1	Euro- 85.61 GBP-95.59 USD-72.77	(113.12)	(113.12)

*The forward contract are denominated in the same currency as like underlying sales arrangement, therefore the Hedge ratio is 1:1

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2020

Type of Hedge	Changes in the value of Hedging instrument recognised in other comprehensive Income	Hedge Ineffectiveness recognised in statement of Profit and loss	Amount reclassified from cashflow hedging reserve to profit or loss	Line item affected in statement of profit and loss due to reclassification
Foreign currency risk	(105.37)	58.45	57.03	Revenue

As at March 31, 2019

Type of Hedge	Changes in the value of Hedging instrument recognised in other comprehensive Income	Hedge Ineffectiveness recognised in statement of Profit and loss	Amount reclassified from cashflow hedging reserve to profit or loss	Line item affected in statement of profit and loss due to reclassification
Foreign currency risk	57.03	(142.60)	(76.50)	Revenue

The Companies hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic retrospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Company enters into hedge relationships where the critical terms of hedging instruments match exactly with the terms of the hedged item and so qualitative assessment of effectiveness is performed.

Ineffectiveness is recognised on cash flow hedges where the cumulative changes in the designated component value of the hedging instruments exceeds on an absolute basis the changes in value of the hedged item attributable to the hedged risk.

The ineffectiveness is recognised in statement of profit loss during March 2020 and March 2019 refer note 2.9

Derivative instrument	Foreign exchange forward contracts	Derivative instrument	Foreign exchange forward contracts
Cash flow hedge reserve as of April 1, 2018	(50.03)	Cash flow hedge reserve as of April 1, 2019	37.10
Less: Amount transferred to statement of profit & loss	76.50	Less: Amount transferred to statement of profit & loss	(57.03)
Add: Changes in discounted spot element of foreign exchange contracts/new contracts entered during the period	57.03	Add: Changes in discounted spot element of foreign exchange contracts/new contracts entered during the period	(105.37)
Less: Deferred tax on the above	(46.40)	Less: Deferred tax on the above	46.45
As of March 2019	37.10	As of March 2020	(78.85)

3.10 Capital management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2020 is ₹ 5,220.23 (Previous Year: ₹ 4,854.51).

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

		As at March 31, 2020	As at March 31, 2019
Debt		2,162.45	2,059.06
Less: cash and bank balances		(408.87)	(531.94)
Net debt	A	1,753.58	1,527.12
Equity	B	5,220.23	4,854.51
Net debt to Equity ratio	A/B	34%	31%

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

3.11 Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2020	As at March 31, 2019
(i) Contingent liabilities		
a. Outstanding export obligations for EPCG license	32.06	140.81
b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated 28th February, 2019. The Company will create provision on prospective basis from the date of SC order, on receiving further clarity on the subject.	-	-
c. Financial support given by SP Apparels limited for the loss incurred by CPPL and also for continuous financial support.	-	-
(ii) Capital Commitments		
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.	31.70	21.71

3.12 Details of leasing arrangements

	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Finance lease obligation relating to Vehicles		
Reconciliation of minimum lease payments		
Future minimum lease payments for a period of not later than one year	4.75	5.37
later than one year and not later than five years	5.53	10.28
later than five years	-	-
	10.28	15.65
Less: Unmatured finance charges	0.61	1.37

3.12 Details of leasing arrangements

(i) Finance lease obligation relating to Vehicles

Present value of minimum lease payments payable	
not later than one year	
later than one year and not later than five years	
later than five years	

	For the year ended March 31, 2020	For the year ended March 31, 2019
	9.67	14.28
	4.75	5.37
	4.92	8.91
	-	-

(ii) Operating lease arrangements

The rental expenses towards operating lease is charged to statement of profit & loss amount of ₹ 80.97 Millions (for the year ended 31st March 2019 ₹ 74.56 Millions). Some of the lease agreements have escalation clause ranging from 5 % to 15%. There are no exceptional / restrictive covenants in the lease agreements.

3.13 Reconciliation of liabilities from financing activities for the year ended March 31, 2020

Long term borrowings*

Particulars	As at April 1, 2019	Accepted	Repayment	Fair Value Changes	As at March 31, 2020
Borrowings from banks	305.08	145.77	(132.07)	-	318.78
Borrowings from others	24.13		(23.83)	7.24	7.54
Finance lease liabilities	13.63	-	(46.21)	388.57	355.99
Total	342.84	145.77	(202.11)	395.81	682.31

*Including current maturities

Short term borrowings

Particulars	As at April 1, 2019	Cash Flows	Forex exchange movement	As at March 31, 2020
Working capital facilities	1,716.22	(277.19)	41.11	1,480.14
Total	1,716.22	(277.19)	41.11	1,480.14

Reconciliation of liabilities from financing activities for the year ended March 31, 2019

Long term borrowings*

Particulars	As at April 1, 2018	Accepted	Repayment	Fair Value Changes	As at March 31, 2019
Borrowings from banks	119.06	263.48	(77.46)	-	305.08
Borrowings from others	259.15	46.84	(291.75)	9.89	24.13
Finance lease liabilities	16.66	2.07	(5.10)	-	13.63
Total	394.87	312.39	-374.31	9.89	342.84

*Including current maturities

Short term borrowings

Particulars	As at April 1, 2018	Cash Flows	Forex exchange movement	As at March 31, 2019
Working capital facilities	1,790.58	23.34	(97.70)	1,716.22
Total	1,790.58	23.34	-97.70	1,716.22

3.14 Dues to micro and small enterprises

The Company has not received any memorandum (as required to be filed by the supplier with the notified authorities under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Accordingly the amount paid/ payable to these parties is considered to be nil.

Particulars	As at March 31, 2020	As at March 31, 2019
a. The principal amount and interest due thereon remaining unpaid at the end of the accounting year	49.89	72.56
b. The amount of interest paid by the buyer beyond the appointed day during the accounting year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

3.15 Contribution towards Corporate Social Responsibility

Section 135 of the Companies Act, 2013, requires Company to spend towards Corporate Social Responsibility (CSR). The Company is expected to spend ₹ 16.67 Millions towards CSR in compliance of this requirement. A sum of ₹ 15.85 Millions has been spent during the current year towards CSR activities as per details given below. The balance amount to be spent is ₹ 0.82 Millions.

Organisation	Amount in Millions
Education for Orphanage Children and poor peoples	1.00
For promotion of women empower activities	0.88
Relief for the underprivileged	13.57
Rural Development Activity	0.20
For Animal Welfare	0.20
Total	15.85

3.16 Related party transaction

Name of Related Party	Nature of Relationship
Key Managerial Personnel	
P.Sundararajan	Managing Director
S.Latha	Executive Director (Wife of Mr.P.Sundararajan)
S.Chenduran	Whole Time Director (Son of Mr.P.Sundararajan)
P.Jeeva	Chief Executive Officer (Garment Division)
V.Balaji	Chief Financial Officer
K.Vinodhini	Company Secretary
Relative of Key Managerial Personnel	
P.Velusamy	Brother of Mr.P.Sundararajan
P.Ashokaraman	Brother of Mr.P.Sundararajan
Subsidiary	
Crocodile Products Private Limited	Subsidiary Company
S.P. Apparels UK (P) Limited	Subsidiary Company
Enterprises owned by key Managerial Personnel	
S.P.Retail Brand limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
Poornam Enterprises Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
S.P.Textiles	Enterprise over which Key Managerial Personnel are able to exercise significant influence
S.P.Lifestyles	Enterprise over which Key Managerial Personnel are able to exercise significant influence
Enterprises owned by relatives of key Managerial Personnel	
SP Superfine Cotton Mills Private Limited	Enterprise over which relative of Key Managerial Personnel are able to exercise significant influence

Details of transactions with related parties - During the year ended March 31, 2020 and Balances outstanding at March 31, 2020

Particulars	Transaction Details													
	Sale of Goods & Service		Purchase of Goods & services		Royalty		Remuneration		Commission		Lease Rent Paid		Lease Liability Paid	
	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19
Subsidiary Company														
Crocodile Products P Ltd, Coimbatore	-	-			11.06	23.49								
S.P. Apparels UK (P) Ltd	-	-												
Key Managerial Personnel														
Mr.P.Sundararajan				12.00	12.00			12.00		5.00	4.70	4.50	5.85	
Mrs. S.Latha				7.20	7.20			7.20		5.00	2.14	2.14		
Mr.S.Chenduran				3.00	3.00			3.00		5.00				
MS. P.Jeeva				5.38	5.47			5.38						
Mr. V.Balaji				2.84	2.35			2.84						
Ms.K.Vinodhini				0.88	0.61			0.88						
Relatives of Key Managerial Personnel														
Mr.P.Ashokraman														
Mr.P.Velusamy														
Enterprises owned by Key Managerial Personnel														
S.P.Retail Brand limited	1.56										0.60	0.60		
Poornam Enterprises P Ltd.														
S.P.Textiles														
S.P.Lifestyles														
Enterprises owned by relatives of key Managerial Personnel														
SP Superfine Cotton Mills Private Limited	-	0.04	57.60	188.28							-	-	51.92	

Details of transactions with related parties - During the year ended March 31, 2020 and Balances outstanding at March 31, 2020

Particulars	Outstanding Balance																		
	Remuneration payable		Lease Rent payable		Lease Rent security deposit		Unsecured Loan		Sundry Creditors		Sundry Debtors		Inv't in Equity Shares		Loans & Advances		Lease liability		
	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	
Subsidiary Company																			
Crocodile Products P Ltd, Coimbatore																			
S.P.Apparels UK (P) Ltd																			
Key Managerial Personnel																			
Mr.P.Sundararajan	0.31	-	19.78	19.78	6.03	19.43													49.91
Mrs. S.Latha	0.10	-	0.78	0.78	1.21	3.68													
Mr.S.Chenduran	0.13	-			-	0.72													
MS. P.Jeeva																			
Mr. V.Balaji																			
Ms.K.Vinodhini																			
Relatives of Key Managerial Personnel																			
Mr.P.Ashokraman					0.30	0.30		0.04		0.04									
Mr.P.Yelusamy								0.04		0.04									
Enterprises owned by Key Managerial Personnel																			
S.P.Retail Brand limited											1.56								
Poornam Enterprises P Ltd.											0.68	1.19							
S.P.Textiles																			
S.P.Lifestyles								0.04				0.47							
Enterprises owned by relatives of Key Managerial Personnel																			
SP Superfine Cotton Mills Private Limited			50.00	50.00													6.43		284.12

3.17 Previous year figures have been regrouped / reclassified, wherever necessary, to conform to the current year classification.

As per our report of event date attached

For ASA & Associates LLP

Chartered Accountants

Firm Reg. No.: 009571N/N500006

D K Giridharan

Partner, Membership No. : 028738

Place : Chennai

Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan

Managing Director

S. Latha

Executive Director

V.Balaji

Chief Financial Officer

Place : Avinashi

Date : June 26, 2020

K. Vinodhini

Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of S.P.Apparels Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of S.P. Apparels Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity, the consolidated Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the Independence requirements

that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

CAM - 1 New Revenue recognition Standard Ind AS 115 "Revenue from Contracts with Customers"

Risk:-

Refer to the accounting policies and notes to the financial statements. As per the accounting policy of the Company, the obligation of the Company as per IND AS 115, is completed as follows:-

- a) Garment sales - As per the terms agreed with the customer by the Company
- b) Retail sales - In respect of sales made to large format stores (LFS), it is on sale or return basis. For distributors it is on outright purchase model. Franchise owned and franchise operated (FOFO) stores, the arrangement is on sale or return model and for Company Owned and Company Operated model, sale is on cash basis. In respect of sales to LFS and FOFO, identifying the completion of performance obligation for the Company is dependent on completion of sale by LFS/ FOFO store which involves careful collation of information of performance obligations.
- c) Spinning and processing division - Upon raising invoice and gate out of goods or upon completion of services

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Matters discussed with those charged with governance [TCWG]:-

Discussion with TCWG focused on:-

- a) Basis of Identification of obligation completion in sales transactions entered by the Company with its customers [Export and Local]
- b) Process of obtaining details of closing inventory available at large format stores and franchise owned and franchise operated (FOFO) stores as at reporting date and process of valuation of inventory cost & sale price by the Company [Item wise in retail sale]

Our response to the risk:-

We obtained an understanding of the processes for the recognition of revenue in each of the revenue streams, and separately for the recognition of export sales. We have relied on manual controls for carrying out cut off procedures by the management and carried out substantive testing.

For retail, spinning and processing division sales in the Company, we have focused our testing on manual journals posted to this revenue stream.

For garment sales: -

- we performed detailed transaction testing by agreeing a sample of individual revenue items to sales invoices, evidence of delivery and subsequent cash receipt;
- we performed sales cut-off testing immediately before and after the year end by testing sales invoices to evidence of delivery to ensure that revenue had been recognised in the correct accounting period; and
- we conducted specific analytical procedures on revenue recognised either side of the year end to test management's conclusion that the related revenue had been recognised in the correct accounting period.

For retail sales:-

- We reviewed the collation of information of satisfaction of performance obligations and obtained confirmations received by the Company from its customers as of reporting date; and
- we performed test check of valuation process carried out by the Company.

Conclusion:-

As a result of the procedures performed, we have been able to conclude that revenue has been recognised in accordance with the revenue recognition policy and Ind AS 115.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in that regard.

Management's Responsibility or the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

INDEPENDENT AUDITOR'S REPORT (CONTD.)

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities

INDEPENDENT AUDITOR'S REPORT (CONTD.)

included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of one subsidiaries, whose financial statements reflect total assets of INR 9.17 million as at March 31, 2020, total revenues of INR 11.47 million, total comprehensive income of INR (1.24) million (loss) for the year ended

on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

(b) We did not audit the financial statements of one subsidiaries whose financial statements reflect total assets of INR 209.06 million as at March 31, 2020, total revenues of INR 505.14 million and total comprehensive income of INR 12.61 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other

Comprehensive Income, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration

for the year ended March 31, 2020 has been paid/ provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us,:
- i. The consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

D K Giridharan
Partner
Membership No: 028738
UDIN: 20028738AAAAAZ2842

Place : Chennai
Date : June 26, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 6 (f) of the Independent Auditors' Report of even date to the members of S.P.Apparels Limited on the Consolidated Financial Statements for the year ended March 31, 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of S.P.Apparels Limited ("the Company/the Holding Company"). The audit of the internal financial controls over financial reporting is applicable only to the Holding Company.

Management's Responsibility for Internal Financial Controls

The Holding Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered

Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Place : Chennai
Date : June 26, 2020

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

D K Giridharan
Partner
Membership No: 028738
UDIN: 20028738AAAAAZ2842

CONSOLIDATED BALANCE SHEET

As at March 31, 2020

(All amounts are in Indian ₹ Millions except share data and as stated)

Particulars	"Note No" D	As at March 31, 2020	As at March 31, 2019
ASSETS			
1 Non Current Assets			
a. Property, Plant and Equipment	1.1	3,964.82	3,107.31
b. Right of Use Assets	1.1	414.08	
c. Capital work-in-progress	1.1	-	540.22
d. Intangible Assets	1.1	60.52	61.30
		4,439.42	3,708.83
e. Financial Assets			
-Investments	1.2	1.88	2.21
-Loans and Advances	1.3	0.63	0.63
-Others	1.4	176.34	169.73
f. Other non-current assets	1.5	21.06	127.14
		4,639.33	4,008.54
2 Current Assets			
a. Inventories	1.6	2,277.56	2,479.49
b. Financial Assets			
- Investments	1.7	-	0.58
- Trade Receivables	1.8	940.41	1,284.36
- Cash and cash equivalents	1.9	463.01	581.44
- Others	1.10	-	113.12
c. Other current assets	1.11	604.36	397.92
		4,285.34	4,856.91
Total Assets		8,924.67	8,865.45
EQUITY AND LIABILITIES			
Equity			
a. Equity Share capital	1.12	256.93	256.93
b. Other Equity	1.13	4,975.29	4,581.67
		5,232.22	4,838.60
Minority Interest			
		(64.16)	(63.81)
Liabilities			
1 Non-current liabilities			
a. Financial Liabilities			
- Borrowings	1.14	616.03	262.92
- Other Financial liabilities	1.15	132.38	147.10
b. Deferred tax liabilities (net)	1.16	201.19	349.66
c. Other non-current liabilities	1.17	-	-
		949.60	759.68
2 Current liabilities			
a. Financial Liabilities			
- Borrowings	1.18	1,555.16	1,743.59
- Trade payables	1.19		
total outstanding dues of micro enterprises and small enterprises		49.89	72.56
total outstanding dues of creditors other than micro enterprises and small enterprises		795.14	1,022.28
- Other Financial liabilities	1.20	253.46	294.97
b. Other current liabilities	1.21	72.19	32.78
c. Provisions	1.22	81.17	164.80
		2,807.01	3,330.98
Total Equity and Liabilities		8,924.67	8,865.45

Significant accounting policies and notes to financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Balance Sheet

As per our report of event date attached

For ASA & Associates LLP

Chartered Accountants

Firm Reg. No.: 009571N/N500006

D K Giridharan

Partner, Membership No. : 028738

Place : Chennai

Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan
Managing Director

S. Latha
Executive Director

V.Balaji
Chief Financial Officer
Place : Avinashi
Date : June 26, 2020

K. Vinodhini
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the period ended March 31, 2020

Particulars	“Note No” D	As at March 31, 2020	As at March 31, 2019
INCOME			
1 Revenue from operations (including excise duty on sale of goods)	2.1	8,089.66	8,263.76
2 Other Income	2.2	237.07	34.40
3 Total Income(1+2)		8,326.73	8,298.16
4 EXPENSES			
Cost of materials and services consumed	2.3	2,407.81	2,731.12
Purchases of Stock-in-Trade - Traded goods	2.4	984.27	935.35
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.5	174.90	(400.50)
		3,566.98	3,265.97
Employee benefits expense	2.6	1,961.37	1,872.24
Finance costs	2.7	227.81	62.44
Depreciation and amortisation expense	2.8	299.34	215.88
Other expenses	2.9	1,729.83	1,787.18
Total Expenses		7,785.33	7,203.71
5 Profit/ (Loss) before tax and exceptional items(3-4)		541.40	1,094.45
6 Exceptional Items		97.31	-
7 Profit/ (Loss) before tax (5 -6)		444.09	1,094.45
8 Tax Expense:			
a. Current tax expense		105.98	384.33
b. Mat Credit Entitlement		(0.43)	(0.89)
c. Short / (Excess) provision for tax relating to prior years		(7.55)	(16.58)
d. Deferred tax		(123.10)	(6.13)
Total Tax Expenses		(25.10)	360.73
9 Net profit/(Loss) for the period (7-8)		469.19	733.72
10 OTHER COMPREHENSIVE INCOME			
A. (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		5.75	4.92
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(1.45)	(1.72)
B (i) Items that will be reclassified to Profit or Loss			
The effective portion of gains and loss on hedging instruments in a cash flow hedge - Translation difference		(105.37)	57.03
(ii) Income tax relating to items that will be reclassified to Profit or Loss		26.52	(19.93)
Total Other Comprehensive Income (A+B)		(74.55)	40.30
		394.64	774.02
Minority Interest		0.37	0.61
11 TOTAL OTHER COMPREHENSIVE INCOME AFTER MINORIT INTEREST		395.01	774.63
Earnings per equity share (Net profit/ (loss) for the period after tax / weighted average number of equity shares)			
a. Basic & Diluted		18.26	28.66

Significant accounting policies and notes to financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Balance Sheet

As per our report of event date attached

For ASA & Associates LLP

Chartered Accountants

Firm Reg. No.: 009571N/N500006

D K Giridharan

Partner, Membership No. : 028738

Place : Chennai

Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan
Managing Director

V.Balaji
Chief Financial Officer

Place : Avinashi
Date : June 26, 2020

S. Latha
Executive Director

K. Vinodhini
Company Secretary

Statement of changes in Equity for the year ended March 31, 2020

(All amounts are in Indian ₹ Millions except share data and as stated)

A. Equity Share Capital

Balance as at April 1, 2018	Change in Equity Share Capital during the year	Balance as at March 31, 2019	Change in Equity Share Capital during the year	Balance as at March 31, 2020
251.68	5.25	256.93	-	256.93

B. Other Equity

	Reserves and surplus			Other Components of Equity			Total
	Securities Premium	Capital Redemption Reserve	Retained earnings	Additional Paid in Equity	Exchange differences on translation foreign operation	Effective portion of cash flow hedges	
2018-19							
Opening balance as at April 1, 2018	2,324.63	200.00	1,154.69	90.36	0.63	(50.03)	3,720.28
- (A)							
Profit for the year			734.33				734.33
Other comprehensive income					0.42	40.30	40.72
Total comprehensive income for the year 2018-19 - (B)			734.33		0.42	40.30	775.05
Premium on issue of equity shares	195.31						195.31
Dividend paid (Including dividend distribution tax) for 2017-18 approved by shareholders in annual general meeting held on September 17, 2018			(12.85)				(12.85)
Others Adjustments			(96.12)				(96.12)
Balance as at March 31, 2019 - (C)	2,519.94	200.00	1,780.05	90.36	1.05	(9.73)	4,581.67
2019-20							
Opening balance as at April 1, 2019	2,519.94	200.00	1,780.05	90.36	1.05	(9.73)	4,581.67
- (A)							
Profit for the year			469.56				469.56
Other comprehensive income					(1.39)	(74.55)	(75.94)
Total comprehensive income for the year 2019-20 - (B)			469.56		(1.39)	(74.55)	393.62
Premium on issue of equity shares							
Dividend paid (Including dividend distribution tax) for 2018-19 approved by shareholders in annual general meeting held on September 20, 2019							
Others Adjustments							
Balance as at March 31, 2020 - (C)	2,519.94	200.00	2,249.61	90.36	(0.34)	(84.28)	4,975.29

Note : The Company has initially applied Ind AS 115 - Revenue from Contracts with Customers using cumulative effective transition method. Under this method comparative information is not restated.

Significant accounting policies and notes to financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Balance Sheet

As per our report of event date attached
For ASA & Associates LLP
Chartered Accountants
Firm Reg. No.: 009571N/N500006

D K Giridharan
Partner, Membership No. : 028738

Place : Chennai
Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan S. Latha
Managing Director Executive Director

V.Balaji K. Vinodhini
Chief Financial Officer Company Secretary

Place : Avinashi
Date : June 26, 2020

CASH FLOW STATEMENT

For the period ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	541.40	1,094.45
<i>Adjustments for:</i>		
Depreciation and amortization expense	299.34	215.88
(Profit) /loss on Sale of assets	9.18	3.24
Amortisation of Lease prepayments	(3.94)	(1.96)
Bad debts written off	14.32	5.14
Advances written off	-	20.80
Provision for Inventory	-	2.00
Provision for Doubtful Debts	-	5.00
Provision for Interest on Income Tax	-	7.42
Other Adjustments	(0.97)	54.69
Finance costs	179.21	55.02
Interest income	(14.57)	(20.03)
Unrealised exchange (gain)/loss	22.19	(212.53)
Provision for MTM (gain)/loss on forward contracts	58.45	(142.60)
Operating profits before working capital changes	1,104.61	1,086.52
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	187.35	(608.41)
Trade receivables	330.65	336.29
Loans and advances/Current assets	(423.97)	50.26
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables/Other current liabilities/Provisions	(244.18)	100.57
Cash Generated from Operations	954.46	965.23
Net income tax (paid) / refunds	(127.40)	(141.90)
Cash flow before exceptional item	827.06	823.33
Exceptional Item	-	-
Net cash flow from / (used in) operating activities (A)	827.06	823.33
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(515.44)	(862.72)
Capital expenditure on right of use assets	-	-
Proceeds from sale of fixed assets	4.05	4.83
Bank deposits not considered as cash equivalents	107.14	(75.37)
Purchase of investments - Others	(0.03)	-
Proceeds from sale of investments - Others	0.94	308.71
Interest received - Bank deposits	14.57	20.12
Net cash flow from / (used in) investing activities (B)	(388.77)	(604.43)

CASH FLOW STATEMENT (CONTD.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of equity share capital	-	5.25
Proceeds/(repayment) of long term borrowings and finance lease liabilities	(40.15)	(60.29)
Net Increase/(decrease) of working capital borrowings	(230.19)	33.10
Dividend Paid	-	(12.83)
Finance costs	(179.21)	(133.82)
Net cash flow from / (used in) financing activities (C)	(449.55)	(168.59)
Net increase / (decrease) in Cash and bank balances (A+B+C)	(11.26)	50.31
Cash and bank balances at the beginning of the year	145.14	94.84
Effect of exchange differences on restatement of foreign currency Cash and bank balances	(0.03)	(0.01)
Cash and bank balances at the end of the year	133.85	145.14
Cash and bank balances at the end of the year comprises of		
(a) Cash on hand	30.98	37.32
(b) Balances with banks		
in current account	99.91	107.65
in EEFC account	2.96	0.17
	133.85	145.14

Significant accounting policies and notes to financial statements (Refer notes C and D)

As per our report of event date attached

For ASA & Associates LLP

Chartered Accountants

Firm Reg. No.: 009571N/N500006

D K Giridharan

Partner, Membership No. : 028738

Place : Chennai

Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan
Managing Director

S. Latha
Executive Director

V.Balaji
Chief Financial Officer

K. Vinodhini
Company Secretary

Place : Avinashi

Date : June 26, 2020

About the Company and Significant Accounting Policies

Forming part of the financial statements

A. Group Overview

S.P. Apparels Limited ('the Company') is a Company domiciled in India. The address of the Company's registered office is 39-A, Extension Street, Kaikattipudur, Avinashi - 641 654, Tirupur District, Tamilnadu, India. The Company and its subsidiaries Crocodile Products Private Limited [70% holding] and S.P Apparels UK (P) Limited (are together referred to as the 'Group' and individually as 'Group entities'). The Group is a leading Indian manufacturer and exporter of knitted garments for infants and children. The Group provides end-to-end garment manufacturing services from grey fabric to finished products.

The Company was originally started as a partnership firm with seven partners in the year 1988 at Salem. Subsequently the firm was converted into public limited company under Part IX of the Companies Act 1956 in the year 2005. It has currently 28 manufacturing plants at Avinashi, Cheyur, Gobichettipalayam, Koduvai, Kovilpatti, Neelambur, Palangarai, Palladam, Perundurai, Puliampatti, Valapady, Samichettipalayam, Sathyamangalam, Sulthanpet, Thekkalur, Vellitirupur, Mylampadi, Kavindapadi, Netaji Apparel Park, Patlur, Annur and Veerapandi. The financial statements are for the Group consisting of S.P. Apparels Limited ('the Company') and its subsidiaries.

B. Basis of Accounting and preparation of consolidated financial statements

The Consolidated financial statements of the Group have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for Cash Flow Statement and certain financial instruments which are measured on fair value basis. GAAP comprises Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act read together with relevant rules of Companies (Indian Accounting Standards) Rules 2015 and relevant amendments issued thereafter to the extent applicable, pronouncements of regulatory bodies applicable to the Group and other provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and

other criteria set-out in note C (19). Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1. Statement of Compliance

The Consolidated Financial Statements comprising Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity, Consolidated Cash Flow Statement, together with notes for the year ended March 31, 2020 have been prepared in accordance with Ind AS as notified above duly approved by the Board of Directors at its meeting held on June 26, 2020.

2. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value.
- Financial assets at fair value through other comprehensive income are measured at fair value.
- Financial instruments at fair value through profit or loss are measured at fair value.
- Financial instruments at fair value through other comprehensive income are measured at fair value.
- The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.
- In relation to lease prepayments, the initial fair value of the security deposit is estimated as the present value of the refundable amount, discounted using the market interest rates for similar instruments. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment.

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note C (17).

3. New and amended Standards

3A. New and amended Standards adopted by the Group

Except for the changes mentioned below, the Group has

consistently applied accounting policies to all periods:

a) Ind AS 116 - Leases

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the Standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of Initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of "Right of Use" asset of ₹417.50 Million, and a lease liability of ₹353.38 Million. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Group recognised depreciation on "Right of Use" assets of ₹ 41.69 Million and interest from lease liabilities of ₹ 35.19 Million during the period

Detailed information given in Right of Use Assets Note Please refer to Note D(1.1).

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 (Refer Note D 3.13 of the 2019 Annual Report) and the value of the lease liabilities as of April 1, 2019 is primarily on account of practical expedients exercised for low value assets and short term leases, inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

b) Ind AS 12 - Income Taxes

Appendix C on Uncertainty over Income tax treatments is effective from April 1, 2019. Appendix C to Income Taxes clarifies the accounting for uncertainties in income taxes. The appendix is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of this appendix did not have any material impact on the financial statement of the Group

Additionally, there were amendments to Ind AS 12. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any impact on financial statements of the Group.

c) Ind AS 19 - Employee Benefits

Amendments to Ind AS 19, 'Employee Benefits' were issued, in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on financial statements of the Group.

3B. New and amended Standards not yet effective and not adopted by the Group

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

4. Functional and Presentation Currency

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). Indian rupee (₹) is the functional currency of S.P. Apparels Limited and its Indian subsidiary Crocodile Products Private Limited. The U.S. Dollar is the functional currency of S.P. Apparels UK (P) Limited its foreign subsidiary located in U.K.

The consolidated financial statements are presented in Indian Rupees (₹) which is the Group’s presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest millions except where otherwise indicated.

5. Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments
- Useful lives of property, plant and equipment
- Useful lives of intangible assets
- Estimate of Lease term and measurement of Right of Use Assets and Lease Liabilities
- Measurement of defined employee benefit obligations
- Provisions
- Identification of performance obligation and timing of satisfaction of performance obligation, measurement of transaction price on revenue recognition
- Expected Credit losses on Financial Assets

- Impairment testing

Estimation of uncertainty relating to global health pandemic of COVID-19

Recoverability of receivables, carrying amount of Property, Plant and Equipment and certain investments have all been assessed based on the information available within the Group and external sources such as credit reports and economic forecasts. The Group has performed impairment testing and assessed that the carrying amount of these assets will be recovered. The impact of global health pandemic may be different from the date of approval of Financial Statements.

The Group has assessed the external environment, short term and long term liquidity position, Group’s mitigative actions regarding material uncertainties related to global health pandemic of COVID-19 and on that basis of assessment, the Group expects these uncertainties do not cast significant doubt upon the ability of the Group to continue as going concern.

Significant judgments on applying Ind AS 115

The Group contracts with customer to transfer goods or services. The Group assess whether such arrangements in the contract has distinct goods or services (performance obligation). Identification of distinct performance obligation involves judgment to determine ability of customer to benefit independently from other promises in the contract.

The judgment is required to measure the transaction price for the contract. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration could be fixed amount or variable amount or could be both. Transaction price could also be adjusted for time value of money if contract includes a significant financing component

C. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

Basis of consolidation

The financial statements of the Group companies are consolidated on a line-by-line basis. Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated.

These financial statements are prepared by applying uniform

accounting policies in use at the Group.

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if the Company has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the Company's returns.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than a majority of similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The financial statements of subsidiaries are consolidated from the date of control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				March 31, 2020	March 31, 2019
Crocodile Products Private Limited	Subsidiary	India	S.P. Apparels Limited	70%	70%
S.P. Apparels UK (P) Limited	Subsidiary	UK	S.P. Apparels Limited	100%	100%

1. Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the Statement of Profit and Loss for determination of net profit or loss during the period.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations and cash flows are translated to using average exchange rates during the period. Any differences arising on such translation are recognized in other comprehensive income. Such differences are included in the foreign currency translation reserve "FCTR" within other components of equity. When a foreign operation is disposed off, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

2. Financial Instruments

a. Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets comprises of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement:

(i) Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

are measured at amortised cost using effective interest rate (EIR) method. The EIR amortisation is recognised as finance income in the Statement of Profit and Loss.

The Group while applying above criteria has classified the following at Amortised cost

- a) Trade receivable
- b) Other financial assets.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the group classifies the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends, are recognised in other comprehensive income (OCI).

(iii) Financial assets at fair value through profit or loss (FVTPL):

Financial asset are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

Derecognition of financial assets:

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the Statement of Profit and Loss.

Impairment of financial assets:

Trade receivables, contract assets, lease receivables under Ind AS 109, investments in debt instruments that are carried

at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for the respective financial asset.

(i) Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

(ii) Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk.

b. Financial liabilities

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- at amortised cost
- at fair value through profit or loss

(i) Financial liabilities at amortised cost

The group is classifying the following under amortised cost;

- a) Borrowings from banks
- b) Borrowings from others
- c) Finance lease liabilities
- d) Trade payables
- e) Other financial liabilities

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative

amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL.

Derecognition of financial liabilities:

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

c. Derivative financial instruments

Derivatives are initially recognised at fair value on the date of contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates the derivatives as hedging of foreign exchange risk associated with the cash flows of associated with accounting receivables (Cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as non-current assets or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current assets or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liability.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative changes in fair value of the hedged item on present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/ (losses).

When option contracts are used to hedge forecast

transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the changes in fair value of the forward contract related to spot commitment as the hedging instrument. Gains or losses relating to the effective portion of the changes in the spot component of the forward contracts are recognised in other comprehensive income in the cash flow hedging reserve within equity. The changes in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full changes in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to effective portion of the changes in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are classified to profit or loss in the periods when the hedged item affects profit or loss (example, when the forecast sale that is hedged take place).

When the hedged forecast transaction results in the recognition of a non-financial assets (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the intrinsic value of the option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the assets. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).
- With respect to gain or loss relating to the effective portion of the spot component of the forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are include within the initial cost of the assets. The deferred amounts are

ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instruments expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/ (losses).

If the hedge ratio for risk management purpose is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedged ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

d. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

e. Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform

an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3. Share capital

Ordinary shares are classified as Equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from Equity, net of any tax effects.

4. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Amounts paid as advances towards the acquisition of Property, Plant and Equipment is disclosed separately under other non-current assets as capital advances and the cost of assets not put to use as on Balance Sheet date are disclosed under "Capital work-in-progress".

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within "other income / other expenses" in the Statement of Profit and Loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing

of property, plant and equipment are recognized in the Statement of Profit or Loss.

Depreciation

Depreciation is recognized in the Statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Management's estimated useful lives for the years ended March 31, 2020 and 2019 were as follows:

	Estimated useful life (in years)	Useful life prescribed by Schedule II (in years)
General Plant & Machinery	20 years	15 years
Computers & Servers	5 years	3 to 6 years
Buildings - others	30 years	30 years
Office Equipments	10 years	10 years
Vehicles Car	10 years	8 years
Vehicles Others	8 years	8 years

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

5. Intangible assets

Intangible assets that are acquired by the Group which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and previous year are as follows:

Trademark	- 10 years
Other Intangibles(Software)	- 3 - 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

6. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual

asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease

7. Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

The Group follows following method:

- Manufacturing inventories are valued at first-in-first-out (FIFO) basis,
- Trading inventories are valued at weighted average cost basis,
- Fabric waste is valued at net realizable value.

8. Impairment of non financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset

is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

Reversal of impairment loss

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

9. Employee benefits

Defined Contribution Plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, discounting that amount and deducting any recognised past service cost and fair value of any plan assets.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating

to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

10. Provisions

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

11. Revenue Recognition

The Group earns revenue from export/domestic of manufactured garments, sale of traded garments, sale of products and services at spinning and processing division and right to receive export incentives from Government.

The Group has adopted Ind AS 115 Revenue from Contracts with Customers with effect from April 1, 2018 by using the cumulative effect transition method and accordingly comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 on initial application of INR 96.12 million has been adjusted in the opening retained

earnings.

The Group recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of third parties. Refer note 11 significant accounting policies in the Group's 2018 annual report for the previous revenue recognition policies.

The revenue recognition in respect of the various streams of revenue is described as follows

Export/Domestic sale of garments:-

Revenue is earned from manufacture and export/domestic sale knitted garments for infants and child wear. Revenue is recognised upon completion of obligation of the Group.

Revenue is recognised at the transaction price agreed with the customer through a sale order received from the customers.

Sale of traded garments:-

Revenue is earned from retail sale of menswear garments in India under the brand "Crocodile". Revenue is recognised as per the obligation terms agreed with its different type of customers as given below:-

- a) Large format stores [LFS] - Arrangement is on sale or return basis with the customer.
- b) Distributor - It is on outright purchase model with the customer.
- c) Franchise owned and Franchise operated [FOFO] - Arrangement is on sale or return basis with FOFO.
- d) Group owned and Group operated [COCO] - Sale is on cash and carry basis.

In respect of LFS & FOFO, identifying the completion of performance obligation by the Group is dependent on completion of sale by LFS & FOFO to the third party, which involves careful collection of information from the customers by the Group.

Sales of products and services at spinning and processing division:-

Revenue is earned from sale of products and services. Revenue is recognised upon completion of services or upon transfer of risk and reward of products to the customer.

Right to receive export incentives from Government:-

The Group has right to receive export incentives under Duty

Drawback Scheme, Merchandise Exports from India Scheme and Scheme for Rebate for State Levies [ROSL] on export of garments and made ups.

The Group recognizes export incentive upon fulfilling the conditions established by respective regulations as applicable to the Group and as amended from time to time.

Income is recognised at the value or rate prescribed by respective regulations.

12. Finance Income and expense

Finance income comprises of interest income on funds invested, dividend income, and fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in Statement of Profit and Loss, using the effective interest method. Dividend income is recognized in Statement of Profit and Loss on the date when the group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises of interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial assets at fair value through profit or loss that are recognized in Statement of Profit and Loss. Fair value changes attributable to hedged risk are recognised in Statement of Profit and Loss.

13. Government grants, subsidies and export incentives

Grants and subsidies from the government are recognised 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 recognised 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.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

14. Borrowing Costs

Borrowing costs are interest and other costs (including exchange difference relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Interest expense is recognised using effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Group capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

15. Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Group is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Group is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- (i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and
- (ii) differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.
- (iii) Arising due to taxable temporary differences arising on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation on temporary differences arising out of undistributed earnings of the equity method accounted investee is recorded based on the management's intention. If the intention is to realize the undistributed earnings through sale, deferred tax is measured at the capital gains tax rates that are expected to be applied to temporary differences when they reverse. However, when the intention is to realize the undistributed earnings through dividend, the group's share of the income and expenses of the equity method accounted investee is recorded in the statement of income, after considering any taxes on dividend payable by the equity method accounted investee and no deferred tax is set up in the books as the tax liability is not with the group.

16. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares

which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

17. Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(ii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to the short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.

(iii) Derivatives

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk free interest rate (based on government bonds). The fair value of foreign currency option contracts is determined based on the

appropriate valuation techniques, considering the terms of the contract. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counter party when appropriate.

(iv) Non derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

18. Dividend distribution to Equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

19. Current/ non-current classification

An asset is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;

(c) it is expected to be realised within twelve months after the reporting period; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months

1.1 Property, Plant and Equipments

The following table presents the changes in property, plant and equipment during the year ended March 31, 2020

Particulars	As at 01/04/2019	Additions	Deletions	IND AS Adjustment	As at 31/03/2020	As at 1/4/2019	Depreciation for the period	Eliminated on disposal of assets	IND AS Adjustment	Accumulated depreciation as at 31/03/2020	Net block 31/03/2020	Net block 31/03/2019
(a) Land												
Freehold	45.68 (6.35)	10.54 (39.33)	-	-	56.22 (45.68)	-	-	-	-	-	56.22 (45.68)	45.68 (6.35)
(b) Building	1,697.98 (1,606.19)	538.52 (91.78)	-	-	2,236.50 (1,697.98)	541.83 (489.60)	60.42 (52.23)	-	-	602.25 (541.83)	1,634.25 (1,156.15)	1,156.15 (1,116.59)
(c) Plant & Machinery	2,674.41 (2,577.58)	429.81 (114.79)	44.07 (17.95)	-	3,060.15 (2,674.42)	1,170.84 (1,067.98)	129.07 (114.47)	31.16 (11.11)	(0.50)	1,268.75 (1,170.84)	1,791.40 (1,503.58)	1,503.58 (1,509.60)
(d) Electrical Installations	198.22 (169.99)	101.54 (28.39)	-	(0.16)	299.76 (198.22)	88.64 (71.24)	21.12 (17.56)	-	(0.16)	109.76 (88.64)	190.00 (109.58)	109.58 (98.75)
(e) Furniture & Fittings	249.96 (224.65)	29.50 (25.31)	-	-	279.46 (249.96)	123.74 (106.10)	18.94 (17.64)	-	-	142.68 (123.74)	136.78 (126.22)	126.22 (118.55)
(f) Vehicles	35.40 (35.67)	0.58 (0.02)	1.33 (0.25)	-	34.65 (35.40)	29.73 (29.12)	1.19 (1.46)	1.21 (0.85)	-	29.71 (29.73)	4.94 (5.67)	5.67 (6.55)
(g) Lab Equipments	10.64 (10.46)	23.81 (0.18)	-	-	34.45 (10.64)	9.54 (9.32)	1.71 (0.22)	-	-	11.25 (9.54)	23.20 (1.10)	1.10 (1.14)
(h) Office Equipments	174.68 (154.44)	25.44 (20.28)	-	(0.04)	200.12 (174.68)	100.90 (92.15)	10.45 (8.77)	-	(0.02)	111.35 (100.90)	88.77 (73.78)	73.78 (62.29)
(i) Computer	179.91 (166.98)	6.14 (12.96)	4.09 (0.03)	-	181.96 (179.91)	132.63 (120.12)	13.95 (12.52)	3.88 (0.01)	-	142.70 (132.63)	39.26 (47.28)	47.28 (46.86)
Total	5,266.88 (4,952.31)	1,165.88 (333.00)	49.49 (18.43)	-	6,383.27 (5,266.88)	2,197.85 (1,985.63)	256.85 (224.87)	36.25 (12.15)	(0.50)	2,418.45 (2,197.85)	3,964.82 (3,069.04)	3,069.04 (2,966.68)

Note: Previous year figures are given in brackets.

- (1) Leasehold land and vehicles transferred to right of use asset as per IND AS 116 with effect from April 1, 2019.
- (2) Depreciation as per P&L includes adjustments out of depreciation effect due to TUF grant receivable IND AS adjustments of Rs.Nil (As at March 31, 2019 Rs.12.65 Million).
- (3) The company has elected to continue with the carrying amount of property, plant and equipment measured as per previous GAAP & use that as its deemed cost as at the date of transition to IND AS [i.e., April 1, 2016]. The carrying value as on balance sheet date of those Property, Plant and Equipment are included below.
- (4) Refer note on capital commitment & Security for the borrowings.
- (5) During financial year 2019-20, the company has tested for impairment and no impairment loss is recognised as the estimated recoverable amount of the cash generating unit is greater than the carrying value.

1.1. RIGHT OF USE ASSETS

The following table presents the changes in right of use assets during the period ended March 31, 2020

Particulars	As at	Additions	Deletions	IND AS Adjustment	As at	Depreciation for the period	Eliminated on disposal of assets	IND AS Adjustment	Accumulated depreciation as at	Net block	Net block
	01/04/2019				31/03/2020						
(a) Land Lease Hold	13.53	-	-	-	13.53	0.13	-	-	1.66	11.87	12.00
	(13.53)	-	-	-	(13.53)	(0.13)	-	-	(1.53)	(12.00)	(12.13)
(b) Vehicle Leasehold	34.46	-	-	-	34.46	3.43	-	-	11.62	22.84	26.27
	(33.75)	(2.49)	(1.78)	-	(34.46)	(3.29)	-	-	(8.19)	(26.27)	(28.85)
(c) Building and Land rent		334.67			334.67	30.27	-	-	30.27	304.40	-
(d) Land rent - MD and ED		53.42			53.42	1.95	-	-	1.95	51.47	-
(e) Lease Prepayment		29.41			29.41	5.91	-	-	5.91	23.50	-
Total	47.99	417.50	-	-	465.49	41.69	-	-	51.41	414.08	38.27
(Previous year)	(47.28)	(2.49)	(1.78)	-	(47.99)	(3.42)	-	-	(9.72)	(38.27)	(40.98)

Note:

a) Company has adopted modified retrospective approach as per paraC8(b)(ii) of IND AS 116 with effect from April 1, 2019. As per the standard the Company has recognised right of use asset measured at an amount equal to the lease liability adjusted by amount of any prepaid or accrued lease payments relating to the lease recognised in the balance sheet immediately before the date of initial application.

b) Company has amortised leased asset over the lease period.

1.1. INTANGIBLE ASSETS

The following table presents the changes in intangible assets during the period ended March 31, 2020

Particulars	As at	Additions	Deletions	IND AS Adjustment	As at	Depreciation for the period	Eliminated on disposal of assets	IND AS Adjustment	Accumulated depreciation as at	Net block	Net block
	01/04/2019				31/03/2020						
(a) Goodwill	40.16	-	-	-	40.16	-	-	-	40.16	-	-
	(40.16)	-	-	-	(40.16)	-	-	-	(40.16)	-	-
(b) Brand / Trade-Marks	17.26	-	-	-	17.26	(0.01)	-	-	16.98	0.28	0.27
	(17.26)	-	-	-	(17.26)	0.00	-	-	(16.99)	(0.27)	(0.27)
(c) Softwares	4.09	-	-	-	4.09	0.78	-	-	2.53	1.56	2.35
	(4.09)	-	-	-	(4.09)	(0.78)	-	-	(1.75)	(2.35)	(3.12)
(d) Goodwill on Consolidation	58.68	-	-	-	58.68	-	-	-	-	58.68	58.68
	(58.68)	-	-	-	(58.68)	-	-	-	-	(58.68)	(58.68)
Total	120.19	-	-	-	120.19	0.77	-	-	59.67	60.52	61.30
(Previous year)	(120.19)	-	-	-	(120.19)	(0.78)	-	-	(58.90)	(61.30)	(62.07)

1.1 Property, Plant and Equipments

The following table presents the changes in property, plant and equipment during the year ended March 31, 2019

Particulars	As at	Additions	Deletions	IND AS	As at	Depreciation	Eliminated	IND AS	Accumulated	Net	Net
	01/04/2018			31/03/2019							
				Adjustment	as at	for the	on disposal	Adjustment	as at	31/03/2019	31/03/2018
					1/4/2018	period	of assets		31/03/2019		
(a) Land											
Freehold	6.35	39.33	-	-	45.68	-	-	-	-	45.68	6.35
	(6.35)	-	-	-	(6.35)	-	-	-	-	(6.35)	(6.35)
Leasehold	13.53	-	-	-	13.53	0.13	-	-	1.53	12.00	12.13
	(13.53)	-	-	-	(13.53)	(0.13)	-	-	(1.40)	(12.13)	(12.26)
(b) Building	1,606.19	91.78	-	-	1,697.98	52.23	-	-	541.83	1,156.15	1,116.59
	(1,543.32)	(62.88)	-	-	(1,606.19)	(57.51)	-	-	(489.60)	(1,116.59)	(1,111.23)
(c) Plant & Machinery	2,577.58	114.79	17.95	(23.83)	2,674.42	114.47	11.11	0.50	1,170.84	1,503.58	1,509.60
	(2,409.08)	(169.46)	(24.79)	(23.83)	(2,577.58)	(109.37)	(18.45)	(0.43)	(1,067.98)	(1,509.60)	(1,455.36)
(d) Electrical Installations	169.99	28.39	0.16	-	198.22	17.56	0.16	-	88.64	109.58	98.75
	(150.31)	(19.68)	-	-	(169.99)	(15.59)	-	-	(71.24)	(98.75)	(94.66)
(e) Furniture & Fittings	224.65	25.31	-	-	249.96	17.64	-	-	123.74	126.22	118.55
	(198.37)	(26.28)	-	-	(224.65)	(18.24)	-	-	(106.10)	(118.55)	(110.51)
(f) Vehicles	69.42	2.47	2.03	-	69.86	4.75	0.85	-	37.92	31.94	35.40
	(57.62)	(12.13)	(0.33)	-	(69.42)	(4.28)	(0.32)	-	(34.02)	(35.40)	(27.56)
(g) Lab Equipments	10.46	0.18	-	-	10.64	0.22	-	-	9.54	1.10	1.14
	(10.29)	(0.17)	-	-	(10.46)	(0.26)	-	-	(9.32)	(1.14)	(1.23)
(h) Office Equipments	154.44	20.28	0.04	-	174.68	8.77	0.02	-	100.90	73.78	62.29
	(145.62)	(8.82)	-	-	(154.44)	(9.30)	-	-	(92.15)	(62.29)	(62.77)
(i) Computer	166.98	12.96	0.03	-	179.91	12.52	0.01	-	132.63	47.28	46.86
	(156.91)	(11.33)	(1.26)	-	(166.98)	(12.37)	(1.21)	-	(120.12)	(46.86)	(47.95)
Total	4,999.59	335.49	20.21	-	5,314.88	228.29	12.15	0.50	2,207.57	3,107.31	3,007.66
(Previous year)	(4,691.40)	(310.75)	(26.38)	(23.83)	(4,999.59)	(227.05)	(19.98)	(0.43)	(1,991.93)	(3,007.66)	(2,929.88)

1.1. INTANGIBLE ASSETS

The following table presents the changes in intangible assets during the period ended March 31, 2019

Particulars	As at 01/04/2018	As at Additions	Deletions	IND AS Adjustment	As at 31/03/2019	As at 1/4/2018	Depreciation for the period	Eliminated on disposal of assets	IND AS Adjustment	Accumulated depreciation as at 31/03/2019	Net block 31/03/2019	Net block 31/03/2018
(a) Goodwill	40.16	-	-	-	40.16	40.16	-	-	-	40.16	-	-
	(40.16)	-	-	-	(40.16)	(40.16)	-	-	-	(40.16)	(0.00)	(0.00)
(b) Brand / Trade Marks	17.26	-	-	-	17.26	16.99	(0.00)	-	-	16.99	0.27	0.27
	(17.26)	-	-	-	(17.26)	(15.75)	(1.24)	-	-	(16.99)	(0.27)	(1.51)
(c) Softwares	4.09	-	-	-	4.09	0.97	0.78	-	-	1.75	2.35	3.12
	(4.09)	-	-	-	(4.09)	(0.19)	(0.78)	-	-	(0.97)	(3.12)	(3.90)
(d) Goodwill on Consolidation	58.68	-	-	-	58.68	-	-	-	-	-	58.68	58.68
	(58.68)	-	-	-	(58.68)	-	-	-	-	-	(58.68)	(58.68)
Total	120.19	-	-	-	120.19	58.12	0.78	-	-	58.90	61.30	62.07
(Previous year)	(120.19)	-	-	-	(120.19)	(56.10)	(2.02)	-	-	(58.12)	(62.07)	(64.09)

1.2 NON-CURRENT INVESTMENTS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments (Unquoted carried at cost)		
i. Nil shares (As at March 31, 2019 - 36,480 Shares) of Rs. 10 /-each fully paid up in Gayathri Sustainable Energies Private Limited	-	0.36
ii. 674 shares (As at March 31, 2019 - 674 Shares) of Rs. 100/-each fully paid up in Rasi G Energy Private Limited	0.07	0.07
iii. 1,775 shares (As at March 31, 2019 - 1,775 Shares) of Rs. 1000/- each fully paid up in Netaji Apparel Park.	1.77	1.77
iv. 2,300 shares (As at March 31, 2019 - 1435 Shares) of Rs. 10/- each fully paid up in Babu Energy P Ltd, Kancheepuram.	0.02	0.01
v. 137 shares (As at March 31, 2019 - NIL) of Rs. 100/- each fully paid up in Aravind Green Infra P Ltd, Karur	0.01	-
vi. 92 shares (As at March 31, 2019 - NIL) of Rs. 100 /-each fully paid up in Amirthaa Green Infra P Ltd, Karur	0.01	-
Sub total	1.88	2.21
Less: Impairment in Value of Investments	-	-
Total Investment in Equity Instruments (Net)	1.88	2.21

1.3 NON-CURRENT LOANS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Loans to Related Parties:		
- Others	0.63	18.14
Total	0.63	18.14

1.4 OTHER NON-CURRENT FINANCIAL ASSETS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
a. Security Deposits	125.32	133.51
b. Others		
Other advances	4.94	4.94
EB Deposits	45.72	30.92
Others(Cylinder Deposits, Marketing cess deposits)	0.36	0.36
	51.02	36.22
Total	176.34	169.73

1.5 OTHER NON-CURRENT ASSETS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
a. Prepayments under operating leases	-	13.69
b. Capital Advances (Unsecured, considered good)	10.61	101.40
c. Balance with government authorities (Unsecured, considered good) Sales Tax Deposits	0.32	0.32
d. Others - Unsecured, considered good (unless otherwise stated) Fringe Benefit Tax Receivables	0.04	0.04
Income Tax Receivables	2.51	4.11
Electricity Charges Receivables	7.58	7.58
	10.13	11.73
Total	21.06	127.14

1.6 INVENTORIES

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
a. Raw materials and Components	515.21	514.56
b. Work-in -progress	1,055.63	1,200.68
c. Finished goods	147.39	183.89
d. Stock-in-trade - Traded goods - Garments	395.54	401.40
e. Stores, spares and consumable tools	163.79	178.96
Total	2,277.56	2,479.49

1.7 CURRENT INVESTMENTS

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
Units in Mutual Fund (Unquoted Investments) Milestone Real estate fund	-	0.58
Total	-	0.58

1.8 TRADE RECEIVABLES

	(₹ in Millions)	
	As at March 31, 2020	As at March 31, 2019
Secured Considered good [includes ₹ 0.19 and ₹ 71.07 (as at March 31, 2019 ₹ 0.19 and ₹ 57.99) from SP Apparels UK (P) Limited and Crocodile Products Private Limited respectively]. Considered doubtful	940.41	1,284.36
	-	5.00
	940.41	1,289.36
Less: Allowance for doubtful debts	-	5.00
Total	940.41	1,284.36

		(₹ in Millions)	
1.9 CASH AND BANK BALANCES		As at March 31, 2020	As at March 31, 2019
a. Cash and Cash Equivalents			
Balances with Banks in Current account		99.91	107.65
Balance with Banks in EFFC account		2.96	0.17
Cash and stamps on hand		30.98	37.32
		133.85	145.14
b. Bank Balances other than (a) above			
In Deposit accounts (liened marked against letter of credit and buyers credit)		329.16	436.30
		329.16	436.30
Total		463.01	581.44

		(₹ in Millions)	
1.10 OTHER CURRENT FINANCIAL ASSETS		As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good unless otherwise stated)			
a. Provision for MTM		-	113.12
Total		-	113.12

		(₹ in Millions)	
1.11 OTHER CURRENT ASSETS		As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good unless otherwise stated)			
a. Prepaid Expenses		19.79	13.49
b. Material advances		93.84	42.20
c. Balances with government authorities			
- Export Incentives Receivables		256.14	225.29
Less: Advance written off		-	(20.80)
		256.14	204.49
- GST Refund receivable		165.50	37.77
- GST Input		6.22	67.80
- TUF receivable		30.01	29.88
- Interest subvention receivable		0.29	1.44
		458.16	341.38
d. Advance Tax(Net of Provisions)		31.58	-
e. Others(Advance)		0.99	0.85
		604.36	397.92

Particulars	(₹ in Millions)			
	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Rs in Millions	Number of shares	Rs in Millions
(a) Authorised				
Equity shares of Rs. 10/- each with voting rights	2,72,50,000	272.50	2,72,50,000	272.50
10% Redeemable cumulative preference shares of Rs.10/- each	2,00,00,000	200.00	2,00,00,000	200.00
	4,72,50,000	472.50	4,72,50,000	472.50
(b) Issued				
Equity shares of Rs. 10/- each with voting rights	2,56,92,600	256.93	2,56,92,600	256.93
	2,56,92,600	256.93	2,56,92,600	256.93
(c) Subscribed and fully paid up				
Equity shares of Rs. 10/- each with voting rights	2,56,92,600	256.93	2,56,92,600	256.93
	2,56,92,600	256.93	2,56,92,600	256.93
Total	2,56,92,600	256.93	2,56,92,600	256.93

Notes

i) Terms & Condition of Equity shares

The Company has only one class of equity shares having a par face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The Dividend, if any, proposed by the Board of Directors has to be approved by the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of holding in that class of shares	Number of shares	% of holding in that class of shares
a) Equity Shares with voting rights				
Mr. P.Sundararajan	1,27,84,273	49.76%	1,27,84,273	49.76%
Ms. S.Latha	30,24,509	11.77%	30,24,509	11.77%
UTI Balanced Fund	13,30,392	5.18%	13,30,392	5.18%
Goldman Sachs India Limited	12,23,399	4.76%	13,38,597	5.21%

iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue during the year	Closing Balance
Equity shares with voting rights			
Period ended March 31, 2020			
- Number of shares	2,56,92,600	-	2,56,92,600
- Amount (Rs. 10 each)	25,69,26,000	-	25,69,26,000
Period ended March 31, 2019			
- Number of shares	2,51,67,600	5,25,000	2,56,92,600
- Amount (Rs. 10 each)	25,16,76,000	52,50,000	25,69,26,000

(₹ in Millions)

1.13 OTHER EQUITY

a. Securities Premium Account

Balance as at the beginning of the period

Add: Pursuant to business combination

Add: Premium on issue of shares

Less: Expenses incurred on issue of Shares

Balance as at the end of the period

The reserve has been created when equity shares have been issued at a premium. This reserve may be utilised to issue fully paid-up bonus shares, buy-back of equity shares or writing off expenses incurred on issue of equity shares.

b. Capital Redemption Reserve

Balance as at the beginning of the year

Add: Addition during the year

Balance as at the end of the period

The reserve has been created as per section 55 (2) (c) of Companies Act, 2013 based on the proposal for redemption of preference shares during the board meeting held on March 15, 2018.

The company has sought approval of the Shareholders of the Company by Postal Ballot process pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Resolution(s) as set out in the Postal ballot Notice dated 15th March, 2018 for the following

a. Variation of the terms of issue of the 10% Redeemable Cumulative Preference Shares and its redemption

b. Issue of 528000 Equity Shares to Promoter of the Company on preferential basis. The approval received from shareholders and concluded on April 23, 2018.

The shares are proposed to be redeemed out of the profits of the company. Accordingly, out of accumulated profits, a sum equal to the nominal amount of the shares to be redeemed, has been transferred to a reserve, to be called the Capital Redemption Reserve Account.

c. Additional Paid in Equity

Balance as at the beginning of the year

Add: On Issue of Preference Shares to Equity Share holders

Add: On Acceptance of unsecured Loans from Share holders

Less: Redemption of Preference Shares

Balance as at the end of the period

d. Retained Earnings (Surplus in Statement of Profit and Loss)

Balance as at the beginning of the year

Add: Current year profit

As at
March 31, 2020

As at
March 31, 2019

2,519.94

2,324.63

-

195.31

-

2,519.94

2,519.94

200.00

200.00

-

200.00

200.00

90.36

90.36

-

-

-

-

90.36

90.36

1,780.05

1,154.69

469.56

734.33

Less:		
Ind AS 115 adjustments for changes in Accounting Policies	-	(96.12)
Dividend 2017-18	-	(12.85)
Balance as at the end of the year	2,249.61	1,780.05
e. Exchange difference on translation of foreign operations		
Balance as at the beginning of the year	1.05	0.63
Add: IND AS impact	-	-
Add: Current year profit	(1.39)	0.42
Balance as at the end of the year	(0.34)	1.05
f. Other Comprehensive Income		
Items that will be reclassified to Profit or Loss		
Opening balance	(9.73)	(50.03)
Add: Current year transfer from statement of profit & loss	(74.55)	40.30
Closing balance	(84.28)	(9.73)
Total Other Equity	4,975.29	4,581.67

1.14 NON-CURRENT BORROWINGS

a. Secured Borrowings at Amortised Cost

	As at March 31, 2020	As at March 31, 2019
Term Loan from banks (Refer Note 1 below)	232.21	208.09
Long term maturity of finance lease obligations [Including Right of use Asset obligation -Note -2]	351.24	8.27

b. Unsecured Borrowings at Amortised Cost

Loans and Advances from related parties	32.58	46.56
Total	616.03	262.92

1. With respect to Term Loans from Banks, 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. Promoters guarantee and security has been provided in cases of non-provision of first charge on fixed assets to banks.

- Loan amounting to ₹ 42.38 Million (Previous year ₹ 57.53 Million) is repayable in 12 quarterly installments
- Loan amounting to ₹ 60.44 Million (Previous year ₹ 75.56 Million) is repayable in 16 quarterly installments
- Loan amounting to ₹ 16.65 Million (Previous year ₹ 22.21 Million) is repayable in 12 quarterly installments
- Loan amounting to ₹ 78.92 Million (Previous year ₹ 23.72 Million) is repayable in 16 quarterly installments
- Loan amounting to ₹ 3.81 Million (Previous year ₹ 10.87 Million) is repayable in 4 quarterly installments
- Loan amounting to ₹ 93.61 Million (Previous year - 105.5) is repayable in 16 quarterly installments
- Loan amounting to ₹ 22.58 Million (Previous year ₹ Nil) is repayable in 20 quarterly installments
- Loan amounting to ₹ Nil (Previous year - ₹ 9.69 Million)
- Interest rate relating to term loans from banks is in the range of 8.75% to 11.55% (Previous Year : 10.50 % to 10.90 %.)
- Unsecured loan from promoters are repayable after one year.
- Finance Lease repayable with in a period from one year to 5 years and has been secured by Hypothecation of asset purchased under hire purchase.
- The Company has not defaulted in repayment of principles and interest during the year.
- Refer Note 1.20 for Current Maturities of Long Term Borrowings.

2. All operating lease arrangements has been evaluated for IND AS 116 and applicable arrangements are considered for accounting after discounting of rental cash flows at the rate of 10% per annum.

The following is the movement in lease liabilities during the Year ended March 31, 2020

Particulars	Amount
Balance as of April 1, 2019	13.63
Additions	353.38
Finance cost accrued during the year	35.19
Deletions	-
Payment of lease liabilities	(46.21)
Balance as of March 31, 2020	355.99

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis

Particulars	Amount
Less than one year	58.60
One to five years	275.69
More than five years	221.74
Total	556.03

Amounts recognised in profit or loss for the year ended March 31, 2020

Particulars	Amount
Interest on lease liabilities	35.19
Expenses relating to leases of low-value assets, including short-term leases of low value assets	81.77
	116.96

(₹ in Millions)

1.15 OTHER NON-CURRENT FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019
a. Other Trade Deposits	15.35	16.83
b. Deferred Govt Grant Receivables	117.03	130.27
Total	132.38	147.10

(₹ in Millions)

1.16 DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2020	As at March 31, 2019
a. Deferred tax liabilities	232.55	384.18
b. Deferred tax (assets)	(13.58)	(17.16)
Total Deferred tax (assets)/ liabilities before Minimum Alternate Tax [MAT]	218.97	367.02
Credit entitlement as per Income Tax Act, 1961		
MAT Credit entitlement	(17.78)	(17.36)
Total Deferred tax (assets)/ liabilities after MAT Credit entitlement - Refer Note 3.1	201.19	349.66
Deferred tax liability / (assets) in relation to:		
- Property, plant and equipment (including Intangible assets)	315.22	438.19
- Other temporary differences (income tax disallowance, land indexation, loan raising expenses etc)	(96.25)	(71.17)
Total	218.97	367.02

(₹ in Millions)

1.17 OTHER NON-CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Lease Income Deferral	-	-
Total	-	-

(₹ in Millions)

1.18 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2020	As at March 31, 2019
Secured Borrowings at amortised cost		
Loans from Banks (Includes Cash Credit, Working capital demand loans, Packing credit, etc)	1,555.16	1,744.24
Unsecured Borrowings at amortised cost		
Loans from related parties	-	(0.65)
Total	1,555.16	1,743.59

(₹ in Millions)

1.19 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
Trade payables - including acceptances - Micro enterprises and small enterprises [Refer note 3.14 to the Financial Statements] - Other Trade Payables	49.89	72.56
Total	795.14	1,022.28
	845.03	1,094.84

(₹ in Millions)

1.20 CURRENT FINANCIAL LIABILITIES - Others

	As at March 31, 2020	As at March 31, 2019
a. Current maturities of Long-term debts at amortised cost (Refer Note 1.14)	86.57	96.99
b. Interest accrued but not due on borrowings	-	-
c. Interest accrued and due on borrowings	-	-
d. Current maturities of finance lease obligations	4.75	5.36
e. Proposed dividend on cumulative preference shares including DDT	0.02	0.02
f. Capital Creditors	50.58	31.18
g. Employee Benefits includes payables to Key Managerial Personnel P. Sundararajan [Managing Director ₹ 0.31 (as at March 31, 2019 ₹ 0.00)] S. Latha [Executive Director ₹ 0.10 (as at March 31, 2019 ₹ 0.00)] S. Chenduran [Director Operations ₹ 0.13 (as at March 31, 2019 ₹ 0.00)]	111.54	161.42
Total	253.46	294.97

(₹ in Millions)

1.21 OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
a. Statutory Liabilities	21.09	32.78
b. Provision for MTM	51.10	-
Total	72.19	32.78

(₹ in Millions)

1.22 OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	-	102.04
Provision for employee benefits		
Gratuity net off funds	81.17	61.99
	81.17	164.80

		(₹ in Millions)	
2.1 REVENUE FROM OPERATIONS		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
a. Sale of Products			
Manufactured goods			
Garments		5,740.91	6,212.94
Yarn		234.13	40.62
Fabric		47.45	30.15
Cotton Waste		109.36	47.62
Traded Goods			
Garments		1,282.86	1,299.63
Total		7,414.71	7,630.96
b. Revenue From Services			
Dyeing charges		195.28	194.47
Embroidery charges		2.09	2.93
Printing charges		(0.47)	0.65
Others		19.63	1.16
Total		216.53	199.21
c. Other Operating revenue			
Duty Draw Back and other Export Incentives		458.38	432.98
Sale of Scrap		0.04	0.11
Others		0.00	0.50
Total		458.42	433.59
Total Revenue from Operations		8,089.66	8,263.76

		(₹ in Millions)	
2.2 OTHER INCOME		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
a. Interest Income from			
Bank Deposits			
		14.57	20.03
Lease Deposits			
		3.94	1.96
Total		18.51	21.99
b. Other Non-operating Income			
Profit on Sale of Investment			
		0.03	10.72
Foreign Exchange Gain (Net)			
		218.14	-
Rental Income on Deposits			
		-	0.02
Others			
		0.39	1.67
Total		218.56	12.41
Total Other Income		237.07	34.40

(₹ in Millions)

2.3 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock	693.52	653.43
Purchases	2,393.30	2,771.21
	3,086.82	3,424.64
Less:		
Closing Stock	679.01	693.52
Total Cost of Materials Consumed	2,407.81	2,731.12

(₹ in Millions)

2.4 PURCHASE OF STOCK-IN-TRADE - TRADED GOODS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Garments	984.27	935.35
Total Cost of Materials Consumed	984.27	935.35

(₹ in Millions)

2.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Changes in Inventories		
Work-in-progress	145.06	(334.37)
Finished goods	36.51	(78.62)
Stock in trade	(6.67)	12.49
Total Changes in Inventories	174.90	(400.50)

(₹ in Millions)

2.6 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	1,619.99	1,570.69
Contribution to provident, gratuity and other funds	128.30	111.28
Welfare expenses	213.08	190.27
Total Employee benefit expenses	1,961.37	1,872.24

(₹ in Millions)

2.7 FINANCE COST

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense	109.39	102.21
Interest Expense on Trade Deposits	1.21	0.67
Interest Expense on Right of Use Asset	35.19	-
Interest Expense on Unsecured Loan	7.24	9.89
Other borrowing costs	34.09	39.61
Exchange loss on foreign currency	40.69	(89.94)
Total Finance cost	227.81	62.44

(₹ in Millions)

2.8 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Tangible assets		
Buildings	60.42	52.23
Plant and equipment	129.07	114.47
Electrical Installations	21.13	17.56
Furniture and fittings	19.32	17.64
Office equipments	10.45	8.77
Lab Equipments	1.71	0.22
Computers	13.95	12.52
Vehicles	1.19	1.46
Right of Use Asset		
- Land	0.13	0.13
- Vehicles	3.43	3.29
- Others	38.13	-
Total on Tangible Assets	298.93	228.29
b. Intangible Assets		
Brand/Trademarks - Acquired	(0.37)	17.14
Softwares - Acquired	0.78	0.78
Depreciation Income - for Grant	-	(30.33)
Total on Intangible Assets	0.41	(12.41)
Total Depreciation and Amortisation expenses	299.34	215.88

(₹ in Millions)

2.9 OTHER EXPENSES

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power & Fuel	310.98	219.03
Repairs & Maintenance - Building	37.85	37.18
Repairs & Maintenance - Machinery	77.40	62.09
Repairs & Maintenance - Others	44.05	44.25
Fabrication Charges	62.93	74.71
Other Manufacturing Expenses	690.05	872.26
Payments to Auditors [Refer note 2.9 (i)]	1.60	1.63
Insurance	9.77	6.02
Legal & Professional Charges	18.52	14.48
Loss on Sale of Fixed Assets	9.18	3.24
Printing and stationery	11.57	11.75
Communication	3.43	4.19
Travelling and conveyance	43.79	49.20
Factory lease rent	12.69	6.63
Rent	69.08	66.61
Rent Expenses- Lease	-	2.14
Rates and taxes	15.81	15.71
Donation	10.26	1.83
Expenditure on Corporate Social Responsibility (Refer Note:3.15)	15.85	14.92
Director sitting fees	0.52	0.44
Commission	1.49	2.75
Freight and forwarding	147.15	143.05
Discount and allowance	13.23	12.49
Business promotion	24.77	28.44
Royalty	8.60	18.82
Bad Debts	14.32	5.14
Advances written off	-	20.80
Loss on Foreign Exchange	-	159.84
Provision for Inventory	-	2.00
Provision for Debtors	-	5.00
Provisions for MTM (Gain)/Loss on forward contracts	58.45	(142.60)
Miscellaneous expenses	16.49	23.14
Total Other Expenses	1,729.83	1,787.18
(i) Payment to auditors comprises:		
As auditors - statutory audit	1.30	1.33
For other services	0.30	0.30
Total	1.60	1.63

3.1 Deferred tax assets and liabilities

Recognised deferred tax assets/liabilities	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment	(315.22)	(438.19)
Derivative Adjustments	24.51	24.51
Recognised in Equity	3.42	(21.65)
Others	68.32	68.31
Minimum Alternate Tax [MAT] credit entitlement as per Income Tax Act, 1961	17.78	17.36
Net deferred tax (liabilities)/assets recognised in Balance Sheet	(201.19)	(349.66)

Movement in temporary differences during current and previous year	MAT	Property, Plant and Equipment	Derivative Adjustments	Other Equity	Others
Balance as at April 1, 2018	16.47	(402.48)	24.51	26.47	
Recognised in income statement	0.89	(35.71)			
Recognised in Equity				(48.12)	68.31
Balance as at March 31, 2019	17.36	(438.19)	24.51	(21.65)	68.31
Recognised in income statement	0.42	122.97			0.01
Recognised in Equity				25.07	
Balance as at March 31, 2020	17.78	(315.22)	24.51	3.42	68.32

Income tax expense recognized in profit or loss	As at March 31, 2020	As at March 31, 2019
Current Tax expense/ (reversal)	105.98	384.33
Deferred Tax expense	(123.10)	(6.13)
Permanent differences	-	-
IND AS transition tax affect	-	-
Others	-	-
	(17.12)	378.20

Reconciliation of effective tax rates

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

	As at March 31, 2020	As at March 31, 2019
Profit before taxes	444.09	1,094.45
Enacted tax rates in India	25.17%	34.94%
Expected tax expense/(benefit)	111.77	382.44

3.3 Payments to directors (other than managing director and executive director)

	Year ended March 31, 2020	Year ended March 31, 2019
Sitting fees	0.52	0.44
Consultancy fees	-	-

3.3 Earnings Per Share

(a) Weighted average number of shares - Basic & Diluted

	Year ended March 31, 2020	Year ended March 31, 2019
Paid-up equity share capital (face value Rs. 10/-) [Amount]	25,69,26,000	25,60,51,000
Face Value per share [Amount]	10.00	10.00
Weighted average number of equity shares outstanding	2,56,92,600	2,56,05,100

3.4 Foreign currency exposure

Particulars	Foreign Currency	As at March 31, 2020	
		Amount in foreign currency	Amount in Indian Rupees
Amounts receivable in foreign currency on account of:			
Cash and cash equivalent			
Cash in hand	USD	0.00	0.13
	GBP	0.00	0.15
	EUR	0.00	0.09
	SGD	0.00	0.02
	HKD	0.00	0.02
	BAHT	0.00	0.00
EEFC A/c	AED	0.00	0.00
	USD	0.00	0.00
	GBP	0.00	0.00
	EUR	0.04	2.94
			2.94
Trade Receivables	USD	2.75	207.44
	GBP	1.08	100.98
	EUR	0.96	79.60
Loans and Advances	USD	0.05	3.75
	EUR	0.03	2.48

Particulars	As at March 31, 2020		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts payable in foreign currency on account of:			
Trade Receivables	USD	0.04	3.25
	EUR	0.14	11.77
			15.01
PCFC account	USD	2.11	159.17
	GBP	1.97	183.13
			342.30
Buyers Credit	EUR	0.25	21.05
			21.05

The details of foreign currency exposure as at March 31, 2019 are as follows:

Particulars	As at March 31, 2019		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Cash and cash equivalents			
Cash in Hand	USD	0.00	0.17
	GBP	0.00	0.04
	EUR	0.00	0.04
	SGD	0.00	0.02
	HKD	0.00	0.01
	AED	0.00	0.02
			0.30
In EFFC Accounts	USD	0.00	0.01
	GBP	0.00	0.03
	EUR	0.00	0.13
			0.17
Amounts receivable in foreign currency on account of:			
Trade Receivables	USD	5.07	350.84
	GBP	3.29	297.28
	EUR	2.36	183.59
			831.71

Particulars	As at March 31, 2019		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Amounts payable in foreign currency on account of:			
PCFC account	USD	1.97	136.51
	GBP	0.88	79.96
	EUR	3.78	294.04
			510.51
Buyers Credit	USD	0.34	23.34
	EUR	1.37	106.35
			129.69

3.5 Employee benefits

a. Defined benefit plans (Gratuity)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation (Gratuity)

Particulars

	Year ended March 31, 2020	Year ended March 31, 2019
Projected benefit obligation at the beginning of the year	79.75	70.01
Service cost	20.55	19.94
Interest cost	5.40	5.74
Remeasurement (gain)/losses	(6.12)	(8.49)
Benefits paid	(5.74)	(7.45)
Projected benefit obligation at the end of the year	93.84	79.75

Change in the fair value of plan assets

Particulars

	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets at the beginning of the year	17.60	15.15
Interest income	1.02	1.10
Employer contributions	-	8.82
Benefits paid	(5.74)	(7.45)
Return on plan assets, excluding amount recognised in net interest expense	(0.37)	(0.02)
Fair value of plan assets at the end of the year	12.51	17.60

Amount recognised in the Balance Sheet

Particulars

	Year ended March 31, 2020	Year ended March 31, 2019
Present value of projected benefit obligation at the end of the year	93.84	79.75
Fair value of plan assets at the end of the year	(12.51)	(17.60)
Funded status amount of liability recognised in the Balance Sheet	81.33	62.15

Expense recognised in the Statement of Profit and Loss Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	20.55	19.94
Interest cost	5.40	5.74
Interest income	(1.02)	(1.10)
Net gratuity costs	24.93	24.58
Actual return on plan assets	-	-

Summary of actuarial assumptions Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	5.58%	7.05%
Expected rate of return on plan assets	5.58%	7.05%
Salary escalation rate	2.00%	3.00%
Attrition rate	50.00%	50.00%

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

Contributions: The Company expects to contribute ₹ 17.57 Millions to its gratuity fund during the year ending March 31, 2021.

The expected cash flows over the next few years are as follows:

Year	Discounted Amount	Undiscounted Amount
1 year	26.87	27.96
2 to 5 years	34.52	39.86
6 to 10 years	12.80	18.58
More than 10 years	32.62	31.28

Plan assets: The Gratuity plan's weighted-average asset allocation at March 31, 2020 and March 31, 2019, by asset category is as follows:

	March 31, 2020	March 31, 2019
Funds managed by insurers	100%	100%

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	March 31 2020		March 31 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	3.36	(3.10)	2.66	(2.57)
(% change compared to base due to sensitivity)	3.55%	-3.28%	3.34%	-3.22%
Salary Growth rate (-/+ 1%)	(2.70)	2.89	(2.21)	2.26
(% change compared to base due to sensitivity)	-2.85%	3.06%	-2.77%	2.83%

b. Contributions to defined contribution plans

In accordance with Indian law, all employees receive benefits from a provident fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The company contributed ₹ 28.92 and ₹ 22.26 during the year ended March 31, 2020 and March 31, 2019 respectively.

The group has contributed to social security charges ₹ 0.25 and ₹ 0.20 during the year ended March 31, 2020 and March 31, 2019

3.6 Segment Reporting

The Chief Operating Decision Maker ("CODM"), the Board of Directors and the senior management, evaluate the Company's performance as a whole. The Company is in manufacturing of knitted garment. Accordingly revenue represented by geography is considered for segment information.

Segment Revenue	March 31, 2020	March 31, 2019
Outside India	6,184.07	6,668.26
Within India	1,905.59	1,595.50
Total	8,089.66	8,263.76

3.7 Financial instruments

a. Derivative financial instruments

i. Forward and option contracts

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts are initially recognized at fair value on the date the contract is entered into and subsequently re-measured at their fair value. Gains or losses arising from changes in the fair value of the derivative contracts are recognized immediately in profit or loss. The counterparties for these contracts are generally banks or financial institutions. The details of outstanding forward contracts as at March 31, 2020 and March 31, 2019 are given below:

Particulars	Currency	As at	As at
		March 31, 2020	March 31, 2019
	USD	11.75	11.10
Forward contracts (Sell)	EUR	7.75	6.45
	GBP	6.51	11.15
(Gain) / loss on mark to market in respect of forward contracts outstanding	INR	50.70	(113.12)

The Company recognized a net loss on the forward contracts of ₹ 163.82 (Previous year : net gain of ₹ 199.62) for the year ended March 31, 2020.

The forward exchange contracts and option contracts mature between one and twelve months. The table below summarizes the notional amounts of derivative financial instruments into relevant maturity groupings based on the remaining period as at the end of the year:

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	USD	USD	EUR	EUR	GBP	GBP
Not later than one month	0.75	0.75	0.25	0.95	0.86	1.15
Later than one month and not later than three months	3.00	4.85	1.25	1.50	2.10	3.25
Later than three months and not later than six months	5.50	4.50	3.00	2.75	2.35	5.00
Later than six months and not later than one year	2.50	1.00	3.25	1.25	1.20	1.75
Total	11.75	11.10	7.75	6.45	6.51	11.15

b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2020 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	1.88	1.88	1.88
Trade receivables	940.41	-	-	940.41	940.41
Cash and cash equivalents	463.01	-	-	463.01	463.01
Other financial assets	176.97	-	-	176.97	176.97
Derivative financial instruments	-	-	-	-	-
Liabilities					
Borrowings from banks	318.78	-	-	318.78	318.78
Borrowings from others	32.58	-	-	32.58	32.58
Bank overdraft	1,555.16	-	-	1,555.16	1,555.16
Finance lease liabilities	355.99	-	-	355.99	355.99
Trade payables	845.03	-	-	845.03	845.03
Other financial liabilities	294.52	-	-	294.52	294.52

The carrying value and fair value of financial instruments by each category as at March 31, 2019 were as follows:

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets					
Investments	-	-	2.79	2.79	2.79
Trade receivables	1,284.36	-	-	1,284.36	1,284.36
Cash and cash equivalents	581.44	-	-	581.44	581.44
Other financial assets	170.36	-	-	170.36	170.36
Derivative financial instruments		99.05	14.07	113.12	113.12
Liabilities					
Borrowings from banks	305.08	-	-	305.08	305.08
Borrowings from others	45.91	-	-	45.91	45.91
Bank overdraft	1,744.24	-	-	1,744.24	1,744.24
Finance lease liabilities	13.63	-	-	13.63	13.63
Trade payables	1,094.84	-	-	1,094.84	1,094.84
Other financial liabilities	339.72	-	-	339.72	339.72

Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2020 and 2019 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

	As at March 31, 2020	As at March 31, 2019
Trade receivables	940.41	1,284.36
Cash and cash equivalents	463.01	581.44
Total	1,403.42	1,865.80

c. Fair value measurements:

The details of assets and liabilities that are measured on fair value on recurring basis are given below:

	Fair value as of March 31, 2020			Fair value as of March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Derivative financial assets - gain on outstanding option/forward contracts		-			113.12	
Liabilities						
Derivative financial assets - loss on outstanding option/forward contracts		50.70			-	

- Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - unobservable inputs for the asset or liability

d. Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

Recognised deferred tax assets/liabilities	As at March 31, 2020	As at March 31, 2019
(a) Financial assets at amortised cost		
Interest income on bank deposits	14.57	20.03
Interest income on other financial assets	3.94	1.96
(b) Financial assets at fair value through profit or loss (FVTPL)		
Net gains/(losses) on fair valuation of derivative financial instruments	-	142.60
(c) Financial liabilities at fair value through profit or loss (FVTPL)		
Net gains/(losses) on fair valuation of derivative financial instruments	(58.45)	-
(d) Financial assets at fair value through profit or loss (FVTOCI)		
Net gains/(losses) on fair valuation of derivative financial instruments	-	57.03
(e) Financial liabilities at fair value through profit or loss (FVTOCI)		
Net gains/(losses) on fair valuation of derivative financial instruments	(105.37)	-
(f) Financial liabilities at amortised cost		
Interest expenses on lease obligations	(36.40)	(0.67)
Interest expenses on borrowings from banks, others and overdrafts	(116.63)	(112.10)

3.8 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables, treasury operations and other activities that are in the nature of leases.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. The Company is not exposed to concentration of credit risk to any one single customer since the services are provided to and products are sold to customers who are spread over a vast spectrum and hence, the concentration of risk with respect to trade receivables is low. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of the business.

Cash and cash equivalents and other investments

In the area of treasury operations, the Company is presently exposed to counter-party risks relating to short term and medium term deposits placed with public-sector banks, and also to investments made in mutual funds.

The Chief Financial Officer is responsible for monitoring the counterparty credit risk, and has been vested with the authority to seek Board's approval to hedge such risks in case of need.

Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2020 and 2019 was as follows:

	As at March 31, 2020	As at March 31, 2019
Other investments	1.88	2.79
Trade receivables	940.41	1,284.36
Cash and cash equivalents	463.01	581.44
Other financial assets	176.97	170.36
	1,582.27	2,038.95

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables have been considered from the date of invoice. The ageing of trade receivables, net of allowances that are past due, is given below:

	As at March 31, 2020	As at March 31, 2019
Period (in days)		
Past due 0 - 180 days	462.67	1,171.00
More than 181 days	477.73	113.36
	940.41	1,284.36

Note:

Other financial assets ₹ 176.97 as at March 31, 2020 (₹ 170.36 as at March 31, 2019) has not been impaired.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Company has concluded arrangements with well reputed Banks, and has unused lines of credit that could be drawn upon should there be a need. The Company is also in the process of negotiating additional facilities with Banks for funding its requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at March 31, 2020	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years
Non-derivative financial liabilities					
Borrowings from banks	318.78	345.78	94.72	245.24	5.82
Borrowings from others	32.58	32.58	32.58	0.00	0.00
Bank overdraft	1,555.16	1,555.16	1,555.16	0.00	0.00
Finance lease liabilities	355.99	556.03	58.60	275.69	221.74
Trade payables	845.03	845.03	845.03	0.00	0.00
Other financial liabilities	294.52	294.52	294.52	0.00	0.00
	3,402.06	3,629.10	2,880.61	520.93	227.56
As at March 31, 2019					
	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years
Non-derivative financial liabilities					
Borrowings from banks	305.08	398.34	96.99	241.66	59.69
Borrowings from others	45.91	45.91	45.91	0.00	0.00
Bank overdraft	1,744.24	1,744.24	1,744.24	0.00	0.00
Finance lease liabilities	13.63	15.64	5.36	9.98	0.30
Trade payables	1,094.84	1,094.84	1,094.84	0.00	0.00
Other financial liabilities	339.72	339.72	339.72	0.00	0.00
	3,543.42	3,638.69	3,327.06	251.64	59.99

Market risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Currency risk:

The Company's exposure in USD, GBP, Euro and other foreign currency denominated transactions gives rise to Exchange rate fluctuation risk. Company's policy in this regard incorporates:

- Forecasting inflows and outflows denominated in USD, GBP and EUR for a twelve-month period
- Estimating the net-exposure in foreign currency, in terms of timing and amount.
- Determining the extent to which exposure should be protected through one or more risk-mitigating instruments to maintain the permissible limits of uncovered exposures.
- Carrying out a variance analysis between estimate and actual on an ongoing basis, subject to review by Audit Committee.

The Company's exposure to foreign currency risk as at March 31, 2020 was as follows:

	Cash and cash equivalents	Trade receivables	PCFC Accounts	Buyers Credit & Creditors	Foreign currency loans and Advances	Net Balance Sheet exposure
USD	0.00	2.75	(2.11)	(0.04)	0.05	0.65
GBP	0.00	1.08	(1.97)			(0.89)
EUR	0.04	0.96		(0.40)	0.03	0.63
SGD	0.00					0.00
HKD	0.00					0.00
BAHT	0.00					0.00
AED	0.00					0.00

The Company's exposure to foreign currency risk as at March 31, 2019 was as follows:

	Cash and cash equivalents	Trade receivables	PCFC Accounts	Buyers Credit & Creditors	Foreign currency loans and Advances	Net Balance Sheet exposure
USD	0.00	5.07	(1.97)	(0.34)		2.76
GBP	0.00	3.29	(0.88)			2.40
EUR	0.00	2.36	(3.78)	(1.37)		(2.79)
SGD	0.00					0.00
HKD	0.00					0.00
BAHT	0.00					0.00
AED	0.00					0.00

A 10% strengthening of the rupee against the respective currencies as at March 31, 2020 and 2019 would have increased / (decreased) other comprehensive income and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

	Other comprehensive income	Profit/(loss)
March 31, 2020	-	1.93
March 31, 2019	-	19.20

A 10% weakening of the rupee against the above currencies as at March 31, 2020 and 2019 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest - bearing financial instruments were as follows:

Recognised deferred tax assets/liabilities	Carrying amount	
	March 31, 2020	March 31, 2019
Fixed rate instruments		
Financial assets		
- Fixed deposits with banks	329.16	436.30
Financial liabilities		
- Borrowings from banks	318.78	305.08
- Borrowings from others	32.58	45.91
Variable rate instruments		
Financial liabilities		
- Bank overdrafts	1,555.16	1,744.24

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis has been performed on the same basis for 2019.

Equity	Profit or (loss)
March 31, 2020	(15.55)
March 31, 2019	(17.44)

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

Impact of Hedging Activities

a) Disclosure of effects of hedge accounting on financial positions

Cash flow Hedge - Foreign Exchange forward Contracts - March 2020

Asset value	Carrying amount of hedging instrument	Maturity date	Hedge Ratio*	Weighted Average strike price/rate	Changes in fair value of hedging instrument	Changes in value of Hedged item used as the basis for recognising hedge reserve
940.41	2,005.26	April 2020 to March 2021	1:1	Euro- 83.35 GBP-94.07 USD-73.29	50.70	50.70

Cash flow Hedge - Foreign Exchange forward Contracts - March 2019

Asset value	Carrying amount of hedging instrument	Maturity date	Hedge Ratio*	Weighted Average strike price/rate	Changes in fair value of hedging instrument	Changes in value of Hedged item used as the basis for recognising hedge reserve
1,284.36	2,277.95	April 2019 to January 2020	1:1	Euro- 85.61 GBP-95.59 USD-72.77	(113.12)	(113.12)

*The forward contract are denominated in the same currency as like underlying sales arrangement, therefore the Hedge ratio is 1:1

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2020

Type of Hedge	Changes in the value of Hedging instrument recognised in other comprehensive Income	Hedge Ineffectiveness recognised in statement of Profit and loss	Amount reclassified from cashflow hedging reserve to profit or loss	Line item affected in statement of profit and loss due to reclassification
Foreign currency risk	(105.37)	58.45	57.03	Revenue

As at March 31, 2019

Type of Hedge	Changes in the value of Hedging instrument recognised in other comprehensive Income	Hedge Ineffectiveness recognised in statement of Profit and loss	Amount reclassified from cashflow hedging reserve to profit or loss	Line item affected in statement of profit and loss due to reclassification
Foreign currency risk	57.03	(142.60)	(76.50)	Revenue

The Companies hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic retrospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Company enters into hedge relationships where the critical terms of hedging instruments match exactly with the terms of the hedged item and so qualitative assessment of effectiveness is performed.

Ineffectiveness is recognised on cash flow hedges where the cumulative changes in the designated component value of the hedging instruments exceeds on an absolute basis the changes in value of the hedged item attributable to the hedged risk.

The ineffectiveness is recognised in statement of profit loss during March 2020 and March 2019 refer note 2.9

Derivative instrument	Foreign exchange forward contracts	Derivative instrument	Foreign exchange forward contracts
Cash flow hedge reserve as of April 1, 2018	(50.03)	Cash flow hedge reserve as of April 1, 2019	37.10
Less: Amount transferred to statement of profit & loss	76.50	Less: Amount transferred to statement of profit & loss	(57.03)
Add: Changes in discounted spot element of foreign exchange contracts/new contracts entered during the period	57.03	Add: Changes in discounted spot element of foreign exchange contracts/new contracts entered during the period	(105.37)
Less: Deferred tax on the above	(46.40)	Less: Deferred tax on the above	46.45
As of March 2019	37.10	As of March 2020	(78.85)

3.9 Capital management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximise shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The Company does so by adjusting dividend paid to shareholders. The total capital as on March 31, 2020 is ₹ 5,232.22 (Previous Year: ₹ 4,838.60).

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

		As at March 31, 2020	As at March 31, 2019
Debt		2,262.51	2,108.86
Less: cash and bank balances		(463.01)	(581.44)
Net debt	A	1,799.50	1,527.42
Equity	B	5,232.22	4,838.60
Net debt to Equity ratio	A/B	34%	32%

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

3.10 Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2020	As at March 31, 2019
(i) Contingent liabilities		
a. Outstanding export obligations for EPCG license	32.06	140.81
b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated 28th February, 2019. The Company will create provision on prospective basis from the date of SC order, on receiving further clarity on the subject.	-	-
c. Financial support given by SP Apparels limited for the loss incurred by CPPL and also for continuous financial support.	-	-
(ii) Capital Commitments		
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.	31.70	21.71

3.11 Details of leasing arrangements

(i) Finance lease obligation relating to Vehicles

	For the year ended March 31, 2020	For the year ended March 31, 2019
Reconciliation of minimum lease payments		
Future minimum lease payments for a period of not later than one year	4.75	5.37
later than one year and not later than five years	5.53	10.28
later than five years	-	-
	10.28	15.65
Less: Unmatured finance charges	0.61	1.37

3.12 Details of leasing arrangements

(i) Finance lease obligation relating to Vehicles

Present value of minimum lease payments payable	
not later than one year	
later than one year and not later than five years	
later than five years	

	For the year ended March 31, 2020	For the year ended March 31, 2019
	9.67	14.28
	4.75	5.37
	4.92	8.91
	-	-

(ii) Operating lease arrangements

The rental expenses towards operating lease is charged to statement of profit & loss amount of ₹ 81.77 Millions (for the year ended 31st March 2019 ₹ 75.38 Millions). Some of the lease agreements have escalation clause ranging from 5 % to 15%. There are no exceptional / restrictive covenants in the lease agreements.

3.13 Reconciliation of liabilities from financing activities for the year ended March 31, 2020

Long term borrowings*

Particulars	As at April 1, 2019	Accepted	Repayment	Fair Value Changes	As at March 31, 2020
Borrowings from banks	305.08	145.77	(132.07)	-	318.78
Borrowings from others	45.91	3.26	(23.83)	7.24	32.58
Finance lease liabilities	13.63	0.00	(46.21)	388.57	355.99
Total	364.62	149.03	(202.11)	395.81	707.35

*Including current maturities

Short term borrowings

Particulars	As at April 1, 2019	Cash Flows	Forex exchange movement	As at March 31, 2020
Working capital facilities	1,744.24	(230.19)	41.11	1,555.16
Total	1,744.24	(230.19)	41.11	1,555.16

Reconciliation of liabilities from financing activities for the year ended March 31, 2019

Long term borrowings*

Particulars	As at April 1, 2018	Accepted	Repayment	Fair Value Changes	As at March 31, 2019
Borrowings from banks	119.06	263.48	(77.46)	-	305.08
Borrowings from others	289.19	69.27	(322.44)	9.89	45.91
Finance lease liabilities	16.66	2.07	(5.10)	-	13.63
Total	424.91	334.82	(405.00)	9.89	364.62

*Including current maturities

Short term borrowings

Particulars	As at April 1, 2018	Cash Flows	Forex exchange movement	As at March 31, 2019
Working capital facilities	1,808.84	33.10	(97.70)	1,744.24
Total	1,808.84	33.10	(97.70)	1,744.24

3.14 Dues to micro and small enterprises

The Company has not received any memorandum (as required to be filed by the supplier with the notified authorities under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Accordingly the amount paid/ payable to these parties is considered to be nil.

Particulars	As at March 31, 2020	As at March 31, 2019
a. The principal amount and interest due thereon remaining unpaid at the end of the accounting year	49.89	72.56
b. The amount of interest paid by the buyer beyond the appointed day during the accounting year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

3.14 Contribution towards Corporate Social Responsibility

Section 135 of the Companies Act, 2013, requires Company to spend towards Corporate Social Responsibility (CSR). The Company is expected to spend ₹ 16.67 Millions towards CSR in compliance of this requirement. A sum of ₹ 15.85 Millions has been spent during the current year towards CSR activities as per details given below. The balance amount to be spent is ₹ 0.82 Millions.

Organisation	Amount in Millions
Education for Orphanage Children and poor peoples	1.00
For promotion of women empower activities	0.88
Relief for the underprivileged	13.57
Rural Development Activity	0.20
For Animal Welfare	0.20
Total	15.85

3.15 Additional disclosure as per part III of Schedule III of the Companies Act, 2013 As at March 31, 2020

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Indian Subsidiaries				
Crocodile Products Pvt Ltd	-1.17%	(61.45)	-0.28%	(1.24)
Foreign subsidiaries				
S.P Apparels UK (P) Ltd	0.90%	46.83	2.84%	12.61
Minority interest in all subsidiaries	-1.23%	(64.16)	0.08%	0.37

As at March 31, 2019

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Indian Subsidiaries				
Crocodile Products Pvt Ltd	-1.24%	(60.21)	-0.19%	(2.05)
Foreign subsidiaries				
S.P Apparels UK (P) Ltd	0.73%	35.46	1.86%	20.36
Minority interest in all subsidiaries	-1.32%	(63.81)	0.06%	0.61

3.16 Related party transaction

Name of Related Party	Nature of Relationship
Key Managerial Personnel	
P.Sundararajan	Managing Director
S.Latha	Executive Director (Wife of Mr.P.Sundararajan)
S.Chenduran	Whole Time Director (Son of Mr.P.Sundararajan)
P.Jeeva	Chief Executive Officer (Garment Division)
V.Balaji	Chief Financial Officer
K.Vinodhini	Company Secretary
Relative of Key Managerial Personnel	
P.Velusamy	Brother of Mr.P.Sundararajan
P.Ashokaraman	Brother of Mr.P.Sundararajan
Associate	
Crocodile International Pte Ltd	Subsidiary Company
Enterprises owned by key Managerial Personnel	
S.P.Retail Brand limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
Poornam Enterprises Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
S.P.Textiles	Enterprise over which Key Managerial Personnel are able to exercise significant influence
S.P.Lifestyles	Enterprise over which Key Managerial Personnel are able to exercise significant influence
Enterprises owned by relatives of key Managerial Personnel	
SP Superfine Cotton Mills Private Limited	Enterprise over which relative of Key Managerial Personnel are able to exercise significant influence

Details of transactions with related parties - During the year ended March 31, 2020 and Balances outstanding at March 31, 2020

Particulars	Transaction Details													
	Sale of Goods & Service		Purchase of Goods & services		Royalty paid		Remuneration		Commission		Lease Rent Paid		Lease Liability Paid	
	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19
Associate														
Crocodile International Pte Ltd	-				8.60	18.82								
Key Managerial Personnel														
Mr.P.Sundararajan							12.00	12.00	-	5.00	4.70	4.50	5.85	
Mrs. S.Latha							7.20	7.20	-	5.00	2.14	2.14		
Mr.S.Chenduran							3.00	3.00	-	5.00				
MS. P.Jeeva							5.38	5.47						
Mr. V.Balaji							2.84	2.35						
Ms.K.Vinodhini							0.88	0.61						
Relatives of Key Managerial Personnel														
Mr.P.Ashokraman														
Mr.P.Velusamy														
Enterprises owned by Key Managerial Personnel														
S.P.Retail Brand limited	1.56													
Poornam Enterprises P Ltd.											0.60	0.60		
S.P.Textiles														
S.P.Lifestyles														
Enterprises owned by relatives of key Managerial Personnel														
SP Superfine Cotton Mills Private Limited	-	0.04	57.60	188.28							-	-	51.92	

Details of transactions with related parties - During the year ended March 31, 2020 and Balances outstanding at March 31, 2020

Particulars	Outstanding Balance																
	Remuneration payable		Lease Rent payable		Lease Rent security deposit		Unsecured Loan		Sundry Creditors		Sundry Debtors		Loans & Advances		Lease liability		
	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	31-03-20	31-03-19	
Associate																	
Crocodile International Pte Ltd																	
Key Managerial Personnel																	
Mr.P.Sundararajan	0.31	-	-	19.78	31.07	19.78	41.86							49.91			
Mrs. S.Latha	0.10	-	-	0.78	1.21	0.78	3.68										
Mr.S.Chenduran	0.13	-	-		-		0.72										
MS. P.Jeeva																	
Mr. V.Balaji																	
Ms.K.Vinodhini																	
Relatives of Key Managerial Personnel																	
Mr.P.Ashokraman					0.30		0.30	0.04	0.04	0.04							
Mr.P.Velusamy								0.04	0.04								
Enterprises owned by Key Managerial Personnel																	
S.P.Retail Brand limited											1.56						
Pooman Enterprises P Ltd.								2.14	2.14	2.14	0.68	1.19					
S.P.Textiles																	
S.P.Lifestyles								3.91	4.87			0.47					
Enterprises owned by relatives of key Managerial Personnel																	
SP Superfine Cotton Mills Private Limited				50.00		50.00				2.02			6.43			284.12	

3.17 Previous year figures have been regrouped / reclassified, wherever necessary, to conform to the current year classification.

As per our report of event date attached
For **ASA & Associates LLP**
Chartered Accountants
Firm Reg. No.: 009571N/N500006

D K Giridharan
Partner, Membership No. : 028738

Place : Chennai
Date : June 26, 2020

For and on behalf of the Board of Directors

P.Sundararajan
Managing Director

S. Latha
Executive Director

V.Balaji
Chief Financial Officer
Place : Avinashi
Date : June 26, 2020

K. Vinodhini
Company Secretary

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Shareholders of the Company will be held on Monday, the 28th day of September, 2020 at 04.00 p.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone & Consolidated Audited Financial Statements including Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in Equity for the financial year ended 31st March, 2020, the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr.S.Chenduran (DIN: 03173269) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation of the Nomination and Remuneration Committee, Mr.A.S.Anandkumar (DIN : 00058292), who has given his consent for re-appointment and has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of Listing Regulations, as amended from time to time, and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 from a member proposing him candidature for the office

of Director, be and is hereby re-appointed as an Independent Director of the Company for the second term of 5(five) consecutive years effective from 13th November 2020, and whose term shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, the consent of the members of the Company be and is hereby accorded to continue the Directorship of Mr.A.S.Anandkumar (DIN : 00058292) who will attain the age of 75 (seventy five) years on 10th July 2022, as an Independent Director of the Company till the expiry of his term of office.

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

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to re-appoint Mr.P.Sundararajan (DIN: 00003380) as Chairman and Managing Director of the Company for a period of 5 (five) years and payment of remuneration for a period of 3 years with effect from 21st November 2020 on the following terms and conditions, as recommended and approved by the Nomination and Remuneration Committee and the Audit Committee at their respective meetings held on 2nd September, 2020;

Salary : 10,00,000/- (Rupees Ten Lakhs only) per month plus other employee benefits of the Company.

Commission on net profits : Not exceeding 1 (one) percent of net profits in an accounting year of the Company subject to availability of profit.

Perquisites :

In addition to the salary and commission, the Chairman and

Managing Director shall also be entitled to the following perquisites and benefits:

- (a) Company maintained car with driver for official and personal use
- (b) Free landline telephone/ broadband facility at residence and mobile telephone facility.
- (c) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the rules of the Company.
- (d) Leave and encashment of unavailed leave as per the rules of the Company.
- (e) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the above remuneration shall be payable as minimum remuneration to Mr.P.Sundararajan (DIN: 00003380) Chairman and Managing Director, as specified in Schedule V of the Companies Act, 2013 (as amended).

RESOLVED FURTHER THAT the Board of Directors (including its committees thereof) be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Mr.P.Sundararajan (DIN: 00003380) Chairman and Managing Director, as it may deem fit, proper and necessary, subject to the same not exceeding the above limits.

RESOLVED FURTHER THAT Mr.P.Sundararajan (DIN: 00003380) shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to re-appoint Mrs.S.Latha (DIN: 00003388) as Executive Director of the Company for a further period of 5 (five) years and payment of remuneration for a period of 3 years with effect from 16th August 2021 on the following terms and conditions, as recommended and approved by the Nomination and Remuneration Committee and the Audit Committee at their respective meetings held on 2nd September, 2020 and shall be liable to retire by rotation;

Salary : 6,00,000/- (Rupees Six Lakhs only) per month plus other employee benefits of the Company.

Commission on net profits : Not exceeding 1 (one) percent of net profits in an accounting year of the Company subject to availability of profit.

Perquisites :

In addition to the salary and commission, the Executive Director shall also be entitled to the following perquisites and benefits:

- (a) Company maintained car with driver for official and personal use
- (b) Free landline telephone/ broadband facility at residence and mobile telephone facility.
- (c) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the rules of the Company.
- (d) Leave and encashment of unavailed leave as per the rules of the Company.
- (e) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the above remuneration shall be payable as minimum remuneration to Mrs.S.Latha (DIN: 00003388) Executive Director, as specified in Schedule V of the Companies Act, 2013 (as amended).

RESOLVED FURTHER THAT the Board of Directors (including its committees thereof) be and are hereby authorized to alter

and vary the terms of re-appointment and/or remuneration payable to Mrs.S.Latha (DIN: 00003388) Executive Director, as it may deem fit, proper and necessary, subject to the same not exceeding the above limits.

RESOLVED FURTHER THAT Mrs.S.Latha (DIN: 00003388) Executive Director shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation of the Nomination and Remuneration Committee, Mr.C. R. Rajagopal (DIN : 08853688), who was appointed as an additional director at the meeting of the board of directors of the company held on 2nd September, 2020 and who has given his consent for appointment as an independent director of the company and has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of Listing Regulations, as amended from time to time, and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment under the provisions of the Companies Act, 2013 and Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 from a member proposing his candidature for the office of Director,

be and is hereby appointed as an Independent Director of the Company for a term of 5(five) consecutive years effective from 2nd September 2020, and whose term shall not be subject to retirement by rotation.

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

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation of the Nomination and Remuneration Committee, Mrs. H. Lakshmi Priya (DIN : 08858643), who was appointed as an additional director at the meeting of the board of directors of the company held on 2nd September, 2020 and who has given her consent for appointment as an independent director (woman director) of the company and has submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of Listing Regulations, as amended from time to time, and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment under the provisions of the Companies Act, 2013 and Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5(five) consecutive years effective from 2nd September 2020, and whose term shall not be subject to retirement by rotation.

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

STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3

Mr.A.S.Anand Kumar (DIN : 00058292) was appointed as an Independent Director of the Company for a period of 5 consecutive years effective from 13th November, 2015 and accordingly, the tenure of her office as an Independent Director expires on 12th November, 2020. In accordance with Section 149(10) of the Companies Act, 2013 read with Rule 3 and 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the recommendation of the Nomination and Remuneration Committee and on the basis of the outcome of the performance evaluation and being eligible for re-appointment for the second term on passing of a special resolution, the Board of Directors, at their meeting held on 2nd September, 2020, has approved the re-appointment of Mr.A.S.Anand Kumar (DIN : 00058292) as an Independent Director of the Company for a further period of 5 (five) consecutive years with effect from 13th November, 2020, subject to the approval of the members of the Company by means of passing a special resolution.

Mr.A.S.Anand Kumar (DIN : 00058292), being the appointee Independent Director, have expressed his consent for re-appointment and has submitted necessary declaration to the effect that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that his name is included in the databank as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office of Director by order of the SEBI or any other statutory authority under any laws.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, provides that “no listed Company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect”. Accordingly, Mr.A.S.Anand Kumar will attain the age of 75 years on 10th July 2022 and hence,

continuation of his directorship beyond the age of 75 years requires the approval of members by way of a special resolution.

Considering his knowledge, qualification, skills and experience and the outcome of the performance evaluation, the Board of Directors is of the opinion that his continued association would be highly beneficial to the Company. In the opinion of the Board, Mr.A.S.Anand Kumar (DIN : 00058292) fulfils the conditions of appointment as specified under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the management. The disclosure as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

During the tenure of appointment, Mr.A.S.Anand Kumar (DIN : 00058292) shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has also received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director.

Accordingly, the Board of Directors recommends the Special Resolution, as set out in Item No.3 of this notice, for the approval of the members.

A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of his re-appointment is available for inspection by the Members electronically on the Company’s website (www.spapparels.com) and also at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

Except Mr.A.S.Anand Kumar (DIN : 00058292), being the appointee Independent Director, none of the other Directors, Key Managerial Personnel or their relatives are directly or indirectly, financially or otherwise, interested or concerned in the Special Resolution set out under Item No.3.

Item No: 4

Mr.P.Sundararajan (DIN: 00003380) was re-appointed as the Chairman and Managing Director of the Company for a period of 5 years with effect from 21st November, 2015 and accordingly, the tenure of his office as the Chairman and

Managing Director of the Company expires on 20th November, 2020. In accordance with the provisions of Section 196 of the Companies Act, 2013 and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors, at their meeting held on 2nd September, 2020, has approved the re-appointment of Mr.P.Sundararajan (DIN: 00003380) as the Chairman and Managing Director for a further period of 5 years on such remuneration for a period of 3 years with effect from 21st November 2020 on the terms and conditions as set out under Item No.4 of this notice, subject to the approval of the members of the Company.

Mr.P.Sundararajan (DIN: 00003380) is one of the Promoters of the Company and has been serving this Company for over a period of 15 years and considering his wide knowledge, qualification, expertise and experience in the field of Garmenting technology, the Board of Directors opines that his re-appointment as Chairman and Managing Director would be most beneficial to the Company.

Pursuant to Section 196(4) read with Schedule V of the Companies Act, 2013, the Special Resolution set out under Item No.4 of the Notice is being placed before the members for approval. Accordingly, the Board of Directors recommends the Special Resolution, as set out in Item No.4 of this notice, for the approval of the members.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the disclosure as required in accordance with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

Members are informed that the re-appointment of Mr.P.Sundararajan (DIN: 00003380) as Chairman and Managing Director for a further period of 5 years with effect from 21st November 2020 and the payment of remuneration for a period of 3 years, as set out under Item No.4 of the Notice, are in conformity with Schedule V of the Companies Act, 2013.

The particulars set out above can also be treated as Memorandum required under the provisions of Section 190 of the Companies Act, 2013.

Except Mr.P.Sundararajan, the appointee Director and

Mrs.S.Latha, Executive Director and Mr.S.Chenduran, Director (Operations) being the relatives of appointee Director, none of the other Directors or Key Managerial Personnel of the Company or his relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out in Item No. 4 of this notice.

Item Nos: 5

Mrs.S.Latha (DIN: 00003388) was re-appointed as Executive Director of the Company for a period of 5 years with effect from 16th August, 2016 and accordingly, the tenure of her office as Executive Director of the Company expires on 15th August, 2021. In accordance with the provisions of Section 196 of the Companies Act, 2013 and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors, at their meeting held on 2nd September, 2020, has approved the re-appointment of Mrs.S.Latha (DIN: 00003388) as Executive Director of the Company for a further period of 5 (five) years and payment of remuneration for a period of 3 years with effect from 16th August 2021 on the terms and conditions as set out under Item No.5 of this notice, subject to the approval of the members of the Company.

Mrs.S.Latha (DIN: 00003388) is one of the Promoters of the Company and has been serving this Company for over a period of 15 years and considering her wide knowledge, qualification, expertise and experience in the field of general administration, the Board of Directors opines that her re-appointment as Executive Director would be most beneficial to the Company.

Pursuant to Section 196(4) read with Schedule V of the Companies Act, 2013, the Special Resolution set out under Item No.5 of the Notice is being placed before the members for approval. Accordingly, the Board of Directors recommends the Special Resolution, as set out in Item No.5 of this notice, for the approval of the members.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the disclosure as required in accordance with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

Members are informed that the re-appointment of Mrs.S.Latha (DIN: 00003388) as Executive Director of the Company for a further period of 5 (five) years with effect from 16th August 2021 and the payment of remuneration for a period of 3 years, as set out under Item No.5 of the Notice, are in conformity with Schedule V of the Companies Act, 2013.

The particulars set out above can also be treated as Memorandum required under the provisions of Section 190 of the Companies Act, 2013.

Except Mrs.S.Latha, the appointee Director and Mr.P.Sundararajan, Chairman and Managing Director and Mr.S.Chenduran, Director (Operations) being the relatives of appointee Director, none of the other Directors or Key Managerial Personnel of the Company or her relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out in Item No.5 of this notice.

ITEM NO. 6

The board of directors of the company, pursuant to the recommendations of the nomination and remuneration committee, has appointed Mr.C.R.Rajagopal (DIN: 08853688) on 2nd September, 2020, as an additional director on the board of directors of the company, in terms of Section 161 of the Companies Act, 2013.

Mr.C.R.Rajagopal (DIN: 08853688), holds office up to the date of this annual general meeting pursuant to Section 161 of the Companies Act, 2013. The company has received notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of independent director of the company.

The board of directors considers it in the interest of the company to appoint Mr. C.R.Rajagopal (DIN: 08853688) as an independent director of the company for a period of five consecutive years with effect from 2nd September , 2020.

Mr. C.R.Rajagopal (DIN: 08853688) , being the appointee Independent Director, have expressed his consent for appointment and has submitted necessary declaration to the effect that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that his

name is included in the databank as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office of Director by order of the SEBI or any other statutory authority under any laws.

In the opinion of the Board, Mr. C.R.Rajagopal (DIN: 08853688) fulfils the conditions of appointment as specified under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the management. The disclosure as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

During the tenure of appointment, Mr. C.R.Rajagopal (DIN: 08853688) shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Accordingly, the Board of Directors recommends the Ordinary Resolution, as set out in Item No.6 of this notice, for the approval of the members.

A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment is available for inspection by the Members electronically on the Company's website (www.spapparels.com) and also at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

Except Mr. C.R.Rajagopal (DIN: 08853688) , being the appointee Independent Director, none of the other Directors, Key Managerial Personnel or their relatives are directly or indirectly, financially or otherwise, interested or concerned in the Special Resolution set out under Item No.6.

ITEM NO. 7

The board of directors of the company, pursuant to the recommendations of the nomination and remuneration committee, has appointed Mrs. H. Lakshmi Priya (DIN: 08858643) on 2nd September, 2020, as an additional director (woman independent and non-executive) on the board of directors of the company, in terms of Section 161

of the Companies Act, 2013.

Mrs. H. Lakshmi Priya (DIN: 08858643), holds office up to the date of this annual general meeting pursuant to Section 161 of the Companies Act, 2013. The company has received notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of independent director of the company.

The board of directors considers it in the interest of the company to appoint Mrs. H. Lakshmi Priya as an independent director of the company for a period of five consecutive years with effect from 2nd September, 2020.

Mrs. H. Lakshmi Priya (DIN: 08858643), being the appointee Independent Director, have expressed her consent for appointment and has submitted necessary declaration to the effect that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that her name is included in the databank as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office of Director by order of the SEBI or any other statutory authority under any laws.

In the opinion of the Board, Mrs. H. Lakshmi Priya (DIN: 08858643) fulfils the conditions of appointment as specified under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and she is independent of the management. The disclosure as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

During the tenure of appointment, Mrs. H. Lakshmi Priya (DIN: 08858643) shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Accordingly, the Board of Directors recommends the Ordinary Resolution, as set out in Item No.7 of this notice, for the approval of the members.

A copy of the draft letter for appointment of the Independent

Director setting out the terms and conditions of her appointment is available for inspection by the Members electronically on the Company's website (www.spapparels.com) and also at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

Except Mrs. H. Lakshmi Priya (DIN: 08858643), being the appointee Independent Director, none of the other Directors, Key Managerial Personnel or their relatives are directly or indirectly, financially or otherwise, interested or concerned in the Special Resolution set out under Item No.7.

Statement of Disclosures pursuant to Schedule V to the Companies Act, 2013 in relation to Item No. 4 and 5 above:

I. GENERAL INFORMATION

1. Nature of Industry

Garments Industry

2. Date or expected date of commencement of commercial production

The company was incorporated on 18th November 2005 and commenced commercial production subsequently in the same year.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. Financial performance based on given indicators

(₹ in Million)

Particulars	2019-20	2018-19
Sales & other income	7821.18	7815.56
Profit/ (Loss) before tax	506.46	1047.00
Profit/ (Loss) after tax	440.27	697.71
Paid-up equity capital	256.93	256.93
Reserves and Surplus	4963.30	4597.58
Basic Earnings per share (in Rs.)	17.14	27.25

5. Foreign Investments or collaborations, if any - .

Nil

II. A. INFORMATION ABOUT THE APPOINTEE

Particulars	Mr.P.Sundararajan	Mrs. S.Latha
Background details	Mr.P.Sundararajan (DIN: 00011326), is having wide knowledge in Marketing vision, Entrepreneurship and business Strategy, Tailor-made structural design, Garmenting technology, Integrating skills for accomplishment, Affable people management. He is one of the Promoters of the Company and he is currently heading the entire business activities of the Company as Chairman and Managing Director	Mrs.S.Latha (DIN: 00003388), is having wide knowledge in Retail business, Entrepreneurship and business strategy, Marketing vision, General Administration. She is one of the Promoters of the Company.
Past remuneration	During the year 2019-20, Mr.P.Sundararajan has received the remuneration of Rs.1,20,00,000/- .	During the year 2019-20, Mrs. S.Latha has received the remuneration of Rs.72,00,000/- .
Recognition or awards	Nil	Nil
Job profile and his suitability	Mr.P.Sundararajan (DIN: 00011326), Chairman and Managing Director of the Company, is managing the overall affairs of the company and is entrusted with the substantial powers of management under the superintendence, control and direction of the Board of Directors. Mr.P.Sundararajan has adequate managerial experience in the relevant field and he is considered suitable for the said managerial position	Mrs. S.Latha as Executive Director of the Company shall be in-charge of the general administration of directors of the Company. Considering her qualifications and experience she is best suitable for the job.
Remuneration Proposed	As per Item No. 4 of the resolution annexed to the Notice	As per Item No. 5 of the resolution annexed to the Notice
Comparative remuneration profile with respect to industry, size of the company profile of the position and person	Taking into consideration the size of the company, profile of Mr.P.Sundararajan, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies	Taking into consideration the size of the company, profile of Mrs. S.Latha, responsibility shouldered by her and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Besides the remuneration being received, the Chairman and Managing Director does not have any pecuniary relationship with the company. He is related to Mr.S.Chenduran, Director (Operations) and Mrs.S.Latha, Executive Director of the Company	Besides the remuneration being received, the Executive Director does not have any pecuniary relationship with the company. She is related to Mr.P.Sundararajan, Chairman and Managing Director and Mr.S.Chenduran, Director (Operations) of the Company

III. OTHER INFORMATION

1. Reasons for loss or inadequate profits: The operations of the Company is presently results in profits.
2. Steps taken or proposed to be taken for improvement: During the year under review the Company has received good orders from various customers. The Company has taken effective cost control measures which would result in better profitability in the ensuing years.

Expected increase in productivity and profits in measurable terms: The Company is under the process of increasing the number of factories and capacity in the coming years.

IV. DISCLOSURES

The following disclosures shall be mentioned in the Board of Directors' report under the heading "Corporate Governance", if any, attached to the financial statement.

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors for the year 2019-20.**

Disclosed in Corporate Governance Report attached.

- (ii) Details of fixed component and performance linked incentives along with the performance criteria**

Disclosed

- (iii) Service contracts, notice period, severance fees**

Disclosed

- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable**

The Company has not issued any Stock option

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Secretarial Standards on General Meetings, brief profile of the Directors, who are proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, their shareholding and relationship with other Directors of the Company are given below:

Name of the Directors	Mr.P.Sundararajan	Mrs.S.Latha	Mr.S.Chenduran
DIN	00003380	00003388	03173269
Date of Birth/Age	17/05/1956 / 64 years	17/04/1964/56 years	18/03/1989 / 31 years
Nationality	Indian	Indian	Indian
Date of first appointment on the Board	18.11.2005	18.11.2005	30.03.2015
Qualification	B.Sc	Higher Secondary	M.Sc in Business and Management from the University of Strathclyde
Expertise /Skills	Vast experience in Management & Garments	Vast experience in retail business, Management & Garments	Vast experience in Management & retail business
Shareholding	1,27,84,273 Equity Shares	30,24,509 Equity Shares	28,852 Equity Shares
Relationship	Related to Mrs.S.Latha, Executive Director and Mr.S.Chenduran, Whole-time Director (Designated as Director (operations))	Related to Mr.P.Sundararajan, Chairman & Managing Director and Mr.S.Chenduran, Whole-time Director (Designated as Director (operations))	Related to Mr.P.Sundararajan, Chairman & Managing Director and Mrs.S.Latha, Executive Director
Terms of Appointment/ Re-appointment	Re-appointed as Chairman and Managing Director for a period of 5 years w.e.f.20.11.2020	Re-appointed as Executive Director for a period of 5 years w.e.f. 16.08.2021	Liabile to retire by rotation.
Remuneration sought to be paid	As per Item No. 4 of the resolution annexed to the Notice	As per Item No. 5 of the resolution annexed to the Notice	
Remuneration last drawn	Rs.12.00 Million	Rs.7.20 Million	Rs.3.00 Million
No. of Board Meetings attended	5 (Five)	4 (Four)	5 (Five)
List of Directorships held in other Companies	1.Poornam Enterprises Pvt Ltd 2. Crocodile Products Pvt Ltd 3. S P Superfine Cotton Mills Private Limited	1. Crocodile Products Pvt Ltd	1.Poornam Enterprises Pvt Ltd 2. Crocodile Products Pvt Ltd 3. S.P. Retail Brands Limited
Other Companies Committee Details			

Name of the Directors	Mr.A.S.Anandkumar	Mr.C.R.Rajagopal	Mrs.H.Lakshmi Priya
DIN	00058292	08853688	08858643
Date of Birth/Age	10/07/1947/ 73 years	08/01/1960/ 60 years	25/11/1973/ 46 years
Nationality	Indian	Indian	Indian
Date of first appointment on the Board	13.11.2015	02.09.2020	02.09.2020
Qualification	Post graduate in Mathematics and a CAIIB holder	Chartered Accountant	Lawyer
Expertise /Skills	Expert debt and equity syndications, debt restructuring, M&A, etc	Expert in finance, Corporate restructuring, Governance management and strategy development	Expert in Corporate and Securities laws, M&A and Joint ventures, PE/ VC investments, Regulatory and exchange control
Shareholding	Nil	Nil	Nil
Relationship	Not related to any other Directors	Not related to any other Directors	Not related to any other Directors
Terms of Appointment/ Re-appointment	Re-appointed as an Independent Director for a period of 5 years w.e.f.13.11.2020	Appointment as an Independent Director for a period of 5 years w.e.f.02.09.2020	Appointment as an Independent Director for a period of 5 years w.e.f.02.09.2020
Remuneration sought to be paid	Sitting Fees only	Sitting Fees only	Sitting Fees only
Remuneration last drawn	Rs.0.18 Million	-	-
No. of Board Meetings attended	5 (Five)	NA	NA
List of Directorships held in other Companies	1. Value Vision Consultants Private Limited 2. Neueon Towers Limited 3. V V Corporate Financial Services Private Limited	Nil	Nil
Other Companies Committee Details	1. Neueon Towers Limited - Audit Committee.	Nil	Nil

Place : Avinashi
Date : 02.09.2020

By the order of the Board
For S.P.Apparels Limited,

P.Sundararajan
Chairman and Managing Director
DIN: 00003380

Notes :

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the conduct of the Annual General Meeting (“AGM”) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedure to be adopted as mentioned in serial No 22 below.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mds@mdsassociates.in with a copy marked to spindia@s-p-apparels.com and enotices@linkintime.co.in.
4. The Register of Members and share transfer books of the Company will remain closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive) as per Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013.
5. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April, 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.
6. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account No., name of the Bank, Branch, IFSC code, MICR code and place with PIN Code) to their respective Depository Participants and not to the Company. Members whose shareholding is in the physical mode are requested to direct the above details to the Company or to the RTA. Regular updation of bank particulars is intended to prevent fraudulent transactions.
7. a) Members are requested to notify immediately any change of address:
 - i. to their Depository Participants (“DPs”) in respect of the shares held in electronic form, and
 - ii. to the Company or its RTA, in respect to the shares held in physical form together with a proof of address viz, Aadhar/Electricity Bill/ Telephone Bill/ Ration Card/Voter ID Card/ Passport etc.b) In case the registered mailing address is without the Postal Identification Number Code (“PIN CODE”), Members are requested to kindly inform their PIN CODE immediately to the Company / RTA/ DPs.
8. Non-Resident Indian (“NRI”) Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
 - a. the change in the residential status on return to India for permanent settlementor
 - b. the particulars of the NRE/NRO Account with a Bank

- in India, if not furnished earlier.
9. As per the provisions of Section 72 of the Act, facility for making nominations is now available to INDIVIDUALS holding shares in the Company, Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
 10. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA, namely, M/s Link Intime India Pvt. Limited, "Surya", 35 May Flower Avenue, II Floor, Behind Senthil Nagar, Sowripalayam, Coimbatore - 641028 by quoting the Folio number or the Client ID number with DP ID number.
 11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 12. A member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting. The same will be replied by the Company suitably.
 13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the physical copy of the Annual Report will not be sent. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.spapparels.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Link Intime India Private Limited at instavote.linkintime.co.in. Members can attend and participate in the Annual General Meeting through VC/ OAVM facility only.
 14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 15. Members may note that M/s. ASA & Associates LLP, (Firm Registration No. 009571N/N500006) Chartered Accountants, Chennai, the Statutory Auditors of the Company were appointed by the Shareholders at their Annual General Meeting (AGM) held on 11th August, 2017, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2022, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide notification dated 7th May 2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Accordingly, the original resolution appointing the Statutory Auditors passed by the Shareholders at their AGM held on 11th August, 2017 was amended vide an ordinary resolution approved by the Shareholders at their 13th AGM held on 17th September 2018 and omitted the requirement for ratification of the appointment of statutory auditors by the shareholders at every AGM. Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this 15th Annual General Meeting.
 16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
 17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat account(s).
 18. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register/update their e-mail address with the concerned Depository Participant in respect of shares held in electronic form in order to enable the Company to serve documents in electronic mode.
 19. Annual financial statements and related details is posted on the Company's website and is also kept for inspection at the Registered Office of the Company. A copy of the same will be provided to the members on request.

20. Soft copies the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM. Members seeking to inspect such registers can send their request to spindia@s-p-apparels.com

21. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholders has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) In case of shares held in physical form, kindly log in to the website of our RTA, Link Intime India Private Ltd at www.linkintime.co.in under Investor Services > Email/ Bank detail Registration - fill in the details and upload the required documents and submit. (or)
- (ii) In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the

22. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification(s), clarifications, exemptions or reenactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote

e-voting") using an electronic voting system provided by Link Intime India Private Ltd ('LI IPL'), as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting explain the process and manner for generating/ receiving the password, and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items

- I. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e. Monday, 21st September, 2020, may refer to this Notice of the Annual General Meeting, posted on Company's website www.s-p-apparels.com for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- II. Members attending the meeting through VC shall be provided the facility of voting through e-voting during the meeting. During this time, members who have not already cast their vote through remote e-voting may exercise their vote through the said modes at the meeting.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- IV. The e-voting period begins on Friday, 25th September, 2020 9.00 A.M. and ends on Sunday, 27th September 2020 at 5.00 P.M.. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2020 may cast their votes electronically. The remote e-voting module shall be disabled by LI IPL for voting thereafter.

Instructions for shareholders to vote electronically:

Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number.

DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	<p>Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> • Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions

contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.

7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.

9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen

signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
 - Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
 - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.
23. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:
1. For physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to spindia@s-p-apparels.com.
 2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to spindia@s-p-apparels.com or coimbatore@linkintime.co.in.
 3. The company/Registered Share Transfer Agent shall co-ordinate to provide the login credentials to the above-mentioned shareholders
24. Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:
- 1) Shareholders/Members are entitled to attend the

Annual General Meeting through VC/OAVM provided by LIPL by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

- 2) Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (Thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN) (Members who have not updated their PAN with the depository participants or Company, shall use the sequence number provided to you)
 - c. Mobile No.
 - d. Email ID
2. Click “Go to Meeting”

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for

better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at spindia@s-p-apparels.com from 21st September 2020 at 9.00 AM to 26th September 2020 at 12.00 PM.

The first 20 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at spindia@s-p-apparels.com. The same will be replied by the company suitably.

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for

- e-Voting “Cast your vote”.
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
 3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
 4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.

5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date (record date) of 21st September, 2020.

- V. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held all e-voting for all those members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing remote e-voting facility.
- VI. Mr. M.D.Selvaraj, FCS of MDS & Associates, Company Secretaries in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer’s Report shall be placed on the Company’s website www.spapparels.com and on the website of LI IPL and communicated to the Stock Exchanges where the Company’s shares are listed.



S.P. APPARELS LIMITED



