

S.P.APPARELS LIMITED

AVINASHI

F.Y 2012-13

8th ANNUAL REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **S.P. APPARELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29 to the financial statements regarding the legal action against a bank for a long term loan and advance amounting to Rs. 168.70 million. For the reasons explained therein, the ultimate outcome of the matter cannot presently be determined and no provision for liability or any consequential adjustment that may result has been made in the financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.



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- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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



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

C.R. Rajagopal
Partner
Membership No. 23418

Avinashi, 18th September, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans to one party. At the year-end, the outstanding balances of such loans granted aggregated Rs. 96.69 Million (one party) and the maximum amount involved during the year was Rs. 96.69 (one party).



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

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

- (a) The Company has taken loans from four parties. At the year-end, the outstanding balances of such loans taken aggregated Rs.256.19 Million (4 parties) and the maximum amount involved during the year was Rs. 259.24 Million (4 parties).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are regular/ as per stipulations.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weaknesses in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are , therefore, unable to comment.



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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In Million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	2009-10	22.58
Income tax Act, 1961	Income tax	CIT Appeals (II)	2006-07	173.38

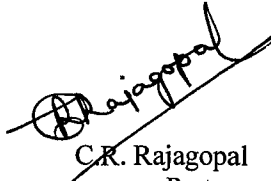


Deloitte Haskins & Sells

- (x) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company had delayed in the repayment of dues to banks during the year. As at the year end the company has delayed in the repayment of Rs.90.78 Million which has subsequently been made good. The Company has not borrowed any amount from financial institutions and has not issued any debentures.
- (xii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xiv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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




C.R. Rajagopal
Partner

Membership No. 23418

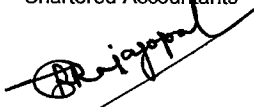
Avinashi, 18th September, 2013

S. P. APPARELS LIMITED
BALANCE SHEET AS AT 31 MARCH 2013

Particulars		Note No	As at 31 March, 2013 Rs in Millions	As at 31 March, 2012 Rs in Millions
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	368.00	368.00
	(b) Reserves and surplus	2	723.80	691.73
			1,091.80	1,059.73
2	Non-current liabilities			
	(a) Long-term borrowings	3	971.49	1,380.34
	(b) Deferred tax liabilities (net)	27	121.96	102.25
			1,093.45	1,482.59
3	Current liabilities			
	(a) Short-term borrowings	4	1,626.12	1,602.60
	(b) Trade payables	5	1,067.64	933.49
	(c) Other current liabilities	6	667.69	575.26
	(d) Short-term provisions	7	24.01	15.77
			3,385.46	3,127.12
	TOTAL		5,570.71	5,669.44
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	8	2,895.44	2,720.27
	(ii) Intangible assets	9	25.59	30.85
	(iii) Capital work-in-progress		-	264.54
			2,921.03	3,015.66
	(b) Non-current investments	10	64.24	64.24
	(c) Long-term loans and advances	11	248.08	269.46
			3,233.35	3,349.36
2	Current assets			
	(a) Current investments	12	9.15	9.20
	(b) Inventories	13	1,270.95	1,239.77
	(c) Trade receivables	14	512.84	576.78
	(d) Cash and bank balances	15	62.14	57.70
	(e) Short-term loans and advances	16	482.27	436.63
			2,337.36	2,320.08
	TOTAL		5,570.71	5,669.44
See accompanying notes forming part of the financial statements				

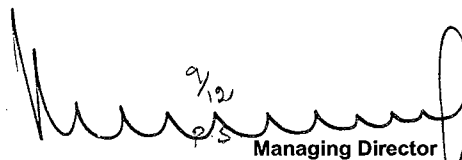
In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors


C R Rajagopal
Partner

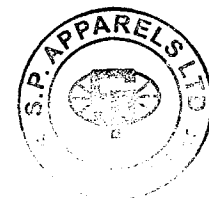


Place : Avinashi
Date : 18/09/2013


Managing Director

Place : Avinashi
Date : 18/09/2013


Executive Director

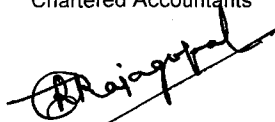


S. P. APPARELS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars		Note No.	31 March, 2013 Rs in Millions	31 March, 2012 Rs in Millions
A	REVENUE			
1	Revenue from operations (gross)	17	4,292.94	4,013.87
	Less: Excise duty		-	1.77
	Revenue from operations (net)		4,292.94	4,012.10
2	Other income	18	4.48	10.67
3	Total revenue (1+2)		4,297.42	4,022.77
4	Expenses			
	(a) Cost of materials consumed	19	1,600.33	1,442.09
	(b) Purchases of stock-in-trade (traded goods)	20	143.36	158.39
	(c) Changes in inventories of finished goods, work-in-progress and	21	(11.33)	(70.53)
	(d) Employee benefits expense	22	815.49	788.77
	(e) Finance costs	23	346.28	401.27
	(f) Depreciation and amortisation expense	8,9	167.84	162.09
	(g) Other expenses	24	1,183.23	1,102.71
	Total expenses		4,245.20	3,984.79
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		52.22	37.98
6	Exceptional items		-	-
7	Profit / (Loss) before tax (5 + 6)		52.22	37.98
8	Tax expense / (benefit):			
	(a) Current tax expense		10.45	7.60
	(b) (Less): MAT credit		10.45	7.60
	(c) Wealth Tax		0.18	-
	(d) Short / (Excess) provision for tax relating to prior years		0.25	-
	(e) Deferred Tax	27	19.71	9.40
	Net tax expense / (benefit)		20.14	9.40
9	Profit / (Loss) for the Year (7 ± 8)		32.08	28.58
10	Earnings per share (of Rs 10/- each):			
	Basic & Diluted	36	1.91	1.70
	See accompanying notes forming part of the financial statements			

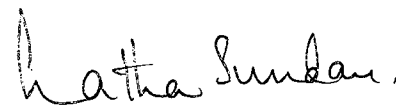
In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors


C R Rajagopal
Partner

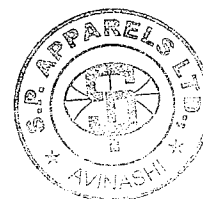



Managing Director


Executive Director

Place : Avinashi
Date : 18.09.2013

Place : Avinashi
Date : 18.09.2013

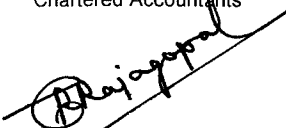


S. P. APPARELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Particulars		31 March, 2013 Rs in Millions	31 March, 2012 Rs in Millions
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		52.22	37.97
<i>Adjustments for:</i>			
Depreciation and amortisation expense		167.84	162.09
(Profit) / Loss on Sale of assets		0.61	(0.85)
(Profit) / Loss on Sale of investments		-	(1.20)
Bad debts written off		0.19	0.08
Provision for doubtful trade receivables		6.48	-
Finance costs		346.28	401.27
Provisions for MTM (Gain)/Loss on forward contracts		(36.82)	-
Dividend income		(0.73)	(0.67)
Interest income		(3.74)	(7.59)
Operating profits before working capital changes		532.34	591.10
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Trade receivables		57.26	(84.42)
Short term and long term loans and advances		32.01	42.45
Inventories		(31.20)	(278.55)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>			
Trade payables/other current liabilities/short term provisions		226.11	22.47
Cash Generated from Operations		816.53	293.05
Net income tax (paid) / refunds		(11.18)	4.24
Net cash flow from / (used in) operating activities	(A)	805.35	297.29
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(80.05)	(324.95)
Proceeds from sale of fixed assets		6.23	253.56
Bank deposits not considered as cash equivalents		15.00	(5.19)
Proceeds from sale of current investments		0.05	4.20
Dividend received - Others		0.73	0.67
Interest received - Bank deposits		3.74	7.59
Net cash flow from / (used in) investing activities	(B)	(54.31)	(64.12)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(repayment) of long term borrowings		(408.85)	115.50
Proceeds/(repayment) of short term borrowings		23.53	44.50
Finance costs		(346.29)	(401.26)
Net cash flow from / (used in) financing activities	(C)	(731.61)	(241.26)
Net increase / (decrease) in Cash and cash equivalents	(A+B+C)	19.44	(8.09)
Cash and cash equivalents at the beginning of the year		11.31	19.40
Cash and cash equivalents at the end of the year		30.75	11.31
Cash and cash equivalents at the end of the year comprises of			
(a) Cash on hand		5.76	6.17
(b) Balances with banks			
in current account		24.99	4.79
in EEFC account		-	0.35
		30.75	11.31
See accompanying notes forming part of the financial statements			

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

For and on behalf of the Board of Directors


C R Rajagopal
Partner

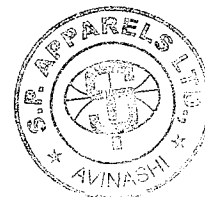



Managing Director


Executive Director

Place : Avinashi
Date : 18.09.2013

Place : Coimbatore
Date : 18.09.2013



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

NOTE 1 SHARE CAPITAL

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rs in Millions	Number of shares	Rs in Millions
(a) Authorised				
Equity shares of Rs. 10/- each with voting rights	20,000,000	200.00	20,000,000	200.00
10% Redeemable preference shares of Rs.10/- each	20,000,000	200.00	20,000,000	200.00
	40,000,000	400.00	40,000,000	400.00
(b) Issued				
Equity shares of Rs. 10/- each with voting rights	16,800,000	168.00	16,800,000	168.00
10% Redeemable preference shares of Rs.10/- each	20,000,000	200.00	20,000,000	200.00
	36,800,000	368.00	36,800,000	368.00
(c) Subscribed and fully paid up				
Equity shares of Rs. 10/- each with voting rights	16,800,000	168.00	16,800,000	168.00
10% Redeemable preference shares of Rs.10/- each	20,000,000	200.00	20,000,000	200.00
	36,800,000	368.00	36,800,000	368.00
Total	36,800,000	368.00	36,800,000	368.00

Notes

i) Terms & Condition of Equity Share Capital

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

ii) Terms & Condition of Preference Share Capital

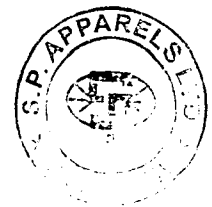
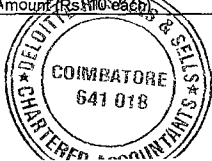
1. The Company has converted a part of the unsecured loans given by the directors as preference shares
2. The coupon rate is 10%;
3. The period of redemption is 10 years or as allowed by the Directors subject to liquidity;
4. The preference shares are of cumulative in respect of dividend payout;
5. The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

iii) Equity Share Holding in Excess of 5%

Particulars	31/03/2013		31/03/2012	
	No of Shares	%	No of Shares	%
P.Sundararajan - Managing Director	11,980,000	71.31%	11,980,000	71.31%
S.Latha - Executive Director	3,000,000	17.86%	3,000,000	17.86%
NYLIM - India Fund	1,800,000	10.71%	1,800,000	10.71%

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

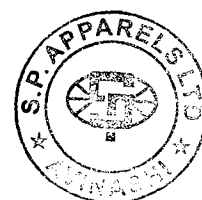
Particulars	Opening Balance	Movement during the year	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2013			
- Number of shares	16,800,000	-	16,800,000
- Amount (Rs. 10 each)	168,000,000	-	168,000,000
Year ended 31 March, 2012			
- Number of shares	16,800,000	-	16,800,000
- Amount (Rs. 10 each)	168,000,000	-	168,000,000
Redeemable preference shares			
Year ended 31 March, 2013			
- Number of shares	20,000,000	-	20,000,000
- Amount (Rs. 10 each)	200,000,000	-	200,000,000
Year ended 31 March, 2012			
- Number of shares	20,000,000	-	20,000,000
- Amount (Rs.10 each)	200,000,000	-	200,000,000



S. P. APPARELS LIMITED

Notes forming part of the financial statements

Particulars	As at 31 March, 2013 Rs in Millions	As at 31 March, 2012 Rs in Millions
NOTE 2 RESERVES & SURPLUS		
(a) Securities premium account		
Opening balance	333.19	333.19
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:	-	-
Closing balance	333.19	333.19
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	358.54	329.98
Add: Profit / (Loss) for the year	32.07	28.57
Closing balance	390.61	358.55
Total	723.80	691.74
NOTE 3 LONG TERM BORROWINGS		
(a) Term loans		
From banks	1,240.26	1,179.18
Less: Interest accrued and due on borrowings	43.48	20.66
Less: current maturity of long term borrowings	483.47	
Secured	713.30	1,158.51
Unsecured	-	-
(b) Loans and advances from related parties (Refer Note N0.41.2)		
Unsecured	256.19	221.19
(c) Long-term maturities of finance lease obligations		
Secured	-	0.64
(d) Other loans and advances		
Unsecured	2.00	-
	971.49	1,380.34
<p>- For Term loans, the first charge on fixed assets is given to respective banks. Second charge on the current assets been extended to the banks where ever possible. Where ever the first charge on the fixed assets are not provided to banks the promoters have provided their properties and personal gurantee as security.</p> <p>- Secured Term Loans from banks are repayable Monthly / Quarterly over a period of 7 Years.</p> <p>- Unsecured Loan from promoters are repayable after two years</p>		
NOTE 4 SHORT TERM BORROWINGS		
(a) Loans repayable on demand		
From banks		
Secured	1,626.12	1,586.08
Unsecured	-	16.52
Total	1,626.12	1,602.60
<p>Working Capital loans are secured by first charge on the current assets of and second charge on the fixed assets of the company in favour of lending banks on paripassu basis.</p>		



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

Particulars	As at 31 March, 2013 Rs in Millions	As at 31 March, 2012 Rs in Millions
NOTE 5 TRADE PAYABLES		
Trade payables:		
Acceptances	1,067.64	933.49
	1,067.64	933.49
NOTE 6 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	483.47	426.97
(b) Current maturities of finance lease obligations	0.63	0.83
(c) Interest accrued and due on borrowings	43.48	20.66
(d) Other payables		
(i) Statutory remittances	46.23	9.24
(ii) Payables on purchase of fixed assets	86.43	101.16
(v) Advance from customers	6.43	7.21
	-	-
Total	667.69	575.26
NOTE 7 SHORT TERM PROVISIONS		
(a) Provision for employee benefits:		
(iii) Provision for gratuity (net) (Refer Note No.38)	15.29	15.77
(b) Provision - Others:		
(i) Provision for tax (net of advance tax Rs.2,395,484/- (As at 31st March 2012 Rs.Nil)		
	8.72	-
Total	24.01	15.77



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

NOTE 8 - TANGIBLE ASSETS

(Rs. In Millions)

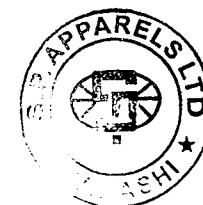
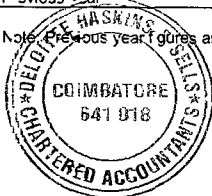
PARTICULARS	AS AT 01/04/2012	ADDITIONS	DELETIONS	AS AT 31/03/2013	ACCUMULATED DEPRECIATION AS AT 1/4/2012	DEPRECIATION FOR THE YEAR	DEPRECIATION WITHDRAWN	ACCUMULATED DEPRECIATION AS AT 31/03/2013	Net Block 31/03/2013	Net Block 31/03/2012
Land - Free Hold	4.43	-	-	4.43	-	-	-	-	4.43	4.43
	(6.67)	(1.74)	(3.99)	(4.43)	-	-	-	-		
Land - Lease Hold (Refer Note 27)	13.03	-	-	13.03	0.63	0.13	-	0.76	12.27	12.40
	(13.03)	-	-	(13.03)	(0.50)	(0.13)	-	(0.63)		
Building	1,182.65	298.87	-	1,481.52	200.41	37.71	-	238.12	1,243.40	982.24
	(1,037.37)	(145.28)	-	(1,182.65)	(167.56)	(32.85)	-	(200.41)		
Plant & Machinery	2,038.86	25.68	10.53	2,054.01	528.48	95.90	4.25	620.13	1,433.89	1,510.38
	(1,720.97)	(325.91)	(8.02)	(2,038.86)	(450.14)	(83.00)	(4.66)	(528.48)		
Electrical Installations	44.83	0.62	-	45.45	7.13	2.70	-	9.83	35.62	37.70
	(39.39)	(5.44)	-	(44.83)	(4.74)	(2.39)	-	(7.13)		
Furniture & Fittings	96.47	2.79	0.33	98.94	24.00	7.53	0.07	31.45	67.49	72.47
	(82.43)	(14.04)	-	(96.47)	(17.54)	(6.46)	-	(24.00)		
Vehicles	50.34	0.09	1.25	49.17	26.47	4.89	0.98	30.38	18.79	23.87
	(49.20)	(5.05)	(3.91)	(50.34)	(24.81)	(4.66)	(3.00)	(26.47)		
Lab Equipments	9.95	0.20	-	10.15	5.74	0.36	-	6.10	4.05	4.21
	(9.69)	(0.26)	-	(9.95)	(5.39)	(0.35)	-	(5.74)		
Office Equipments	81.80	3.11	-	84.91	30.88	3.76	-	34.64	50.27	50.92
	(80.64)	(2.66)	(1.50)	(81.80)	(27.31)	(3.66)	(0.09)	(30.88)		
Computer	91.85	13.23	0.29	104.79	70.20	9.60	0.25	79.55	25.23	21.65
	(88.22)	(4.04)	(0.41)	(91.85)	(60.72)	(9.70)	(0.22)	(70.20)		
Wind Mill	-	-	-	-	-	-	-	-	-	-
	(332.76)	(0.16)	(332.92)	-	(77.26)	(12.80)	(90.07)	-		
Total	3,614.21	344.60	12.40	3,946.41	893.94	162.59	5.56	1,050.97	2,895.43	2,720.27
Previous year	(3,460.36)	(504.59)	(350.74)	(3,614.21)	(835.97)	(156.01)	(98.03)	(893.94)		

NOTE 9 - INTANGIBLE ASSETS

(Rs. In Millions)

PARTICULARS	AS AT 01/04/2012	ADDITIONS	DELETIONS	AS AT 31/03/2013	ACCUMULATED DEPRECIATION AS AT 1/4/2012	DEPRECIATION FOR THE YEAR	DEPRECIATION WITHDRAWN	ACCUMULATED DEPRECIATION AS AT 31/03/2013	Net Block 31/03/2013	Net Block 31/03/2012
Good Will	40.15	-	-	40.15	17.30	4.01	-	21.31	18.84	22.85
	(40.15)	-	-	(40.15)	(13.28)	(4.01)	-	(17.30)		
Brand / Trade Marks	17.16	-	-	17.16	9.16	1.25	-	10.41	6.75	8.00
	(16.66)	(0.50)	-	(17.16)	(7.08)	(2.08)	-	(9.16)		
Total	57.31	-	-	57.31	26.46	5.25	-	31.72	25.59	30.85
Previous year	(56.81)	(0.50)	-	(57.31)	(20.36)	(6.10)	-	(26.46)		

Note: Previous year figures are given in brackets



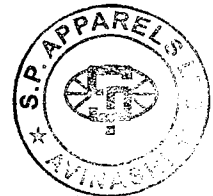
S. P. APPARELS LIMITED
Notes forming part of the financial statements

NOTE 10 NON CURRENT INVESTMENT

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs in Millions Unquoted	Rs in Millions Unquoted
A TRADE		
(a) Investment in Equity Instruments (i) of subsidiaries 266,000 shares (As at 31st March 2012 266,000 Shares) of Rs.100/- each fully paid up	63.74	63.74
	63.74	63.74
B OTHER INVESTMENTS		
(a) Investment in Mutual Funds SBI Tax Advantage - Fund series	0.50	0.50
	0.50	0.50
Total	64.24	64.24

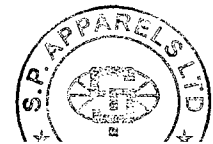
NOTE 12 CURRENT INVESTMENT

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs in Millions Unquoted	Rs in Millions Unquoted
A CURRENT PORTION OF LONG TERM INVESTMENTS		
(a) Investment in mutual funds Milestone Real estate fund	9.15	9.20
Total	9.15	9.20



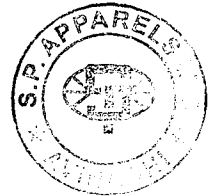
S. P. APPARELS LIMITED
Notes forming part of the financial statements

Particulars	As at 31 March, 2013 Rs in Millions	As at 31 March, 2012 Rs in Millions
NOTE 11 LONG TERM LOANS AND ADVANCES		
(a) Capital advances		
Unsecured, considered good	-	15.24
(b) Security deposits		
Unsecured, considered good	35.02	54.18
(c) MAT credit entitlement		
Unsecured, considered good	33.01	22.57
(d) Balances with government authorities		
Unsecured, considered good	-	-
(i) VAT credit receivable	0.01	0.01
(ii) Advance income tax (net of provision Rs. Nil (As at 31st March 2012 Rs.7,595,972)	-	0.13
(ii) Others	-	0.61
(e) Other loans and advances		
Unsecured, considered good	180.04	176.72
Total	248.08	269.46
NOTE 13 INVENTORIES		
(a) Raw materials	433.65	420.70
(b) Work-in-progress	674.93	636.53
(c) Finished goods (other than those acquired for trading)	27.91	55.23
(d) Stock-in-trade (acquired for trading)	56.16	55.90
(e) Stores and Consumables	78.30	71.40
TOTAL	1,270.95	1,239.76
DETAILS OF WORK IN PROGRESS		
(a) Garment	662.11	631.53
(b) Yarn	12.83	5.00
TOTAL	674.94	636.53
NOTE 14 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	34.48	34.10
Doubtful	-	3.76
	34.48	37.86
Less: Provision for doubtful trade receivables	10.24	3.76
	24.24	34.10
Other Trade receivables		
Unsecured, considered good	488.60	542.68
	488.60	542.68
TOTAL	512.84	576.78
NOTE 15 CASH AND BANK BALANCES		
A. Cash and cash equivalents		
(a) Cash on hand	5.76	6.17
(b) Balances with banks		
(i) In current accounts	24.99	4.79
(ii) In EEFC accounts	-	0.35
Total - Cash and cash equivalents (A)	30.75	11.31
B. Other bank balances		
(i) In earmarked accounts		
- Balances held as margin money or security against borrowings	31.39	46.39
Total - Other bank balances (B)	31.39	46.39
TOTAL	62.14	57.70



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

Particulars	As at 31 March, 2013 Rs in Millions	As at 31 March, 2012 Rs in Millions
NOTE 16 SHORT TERM LOANDS AND ADVANCES		
(a) Loans and advances to related parties		
Unsecured, considered good	106.60	110.35
(b) Security deposits	-	-
Unsecured, considered good	8.70	13.44
(c) Loans and advances to employees	-	-
Unsecured, considered good	5.65	0.27
(d) Prepaid expenses - Unsecured, considered good	8.58	6.49
(e) Balances with government authorities	-	-
Unsecured, considered good	-	-
(i) Export Incentives Receivables	124.99	99.80
(ii) VAT credit receivable	16.77	21.03
(iii) Service Tax credit receivable	0.61	7.60
(iv) Terminal excise duty receivable	1.83	3.06
(v) TUF receivable	43.28	40.47
(iv) Income Tax refund receivable	4.15	-
(f) Others	-	-
Unsecured, considered good	-	-
Advance to suppliers	124.29	134.12
Others	36.82	-
Total	482.27	436.63



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

Particulars		31 March, 2013 Rs in Millions	31 March, 2012 Rs in Millions
NOTE 17 REVENUE FROM OPERATIONS			
(a)	Sale of Products	3,921.62	3,581.22
(b)	Sale of Services	89.33	122.73
(c)	Other Operating Revenues	281.99	309.92
		4,292.94	4,013.87
	Less: Excise Duty	-	1.77
	Total Revenue from Operations	4,292.94	4,012.10
(i)	Sale of Products Comprises of Manufactured Goods		
	Garments	3,366.40	3,154.61
	Yarn	196.09	116.59
		3,562.49	3,271.20
	Traded Goods		
	Yarn	9.46	6.57
	Fabric	144.44	67.12
	Cotton Waste	4.16	3.03
	Garments	201.07	233.29
		359.13	310.01
(ii)	Sale of Services Comprises of		
	Dyeing Charges Received	83.55	120.06
	EMBROIDERY CHARGES RECEIVED	1.43	1.92
	Printing Charges Received	2.84	0.73
	Other Charges	1.51	0.02
		89.33	122.73
(iii)	Other Operating Revenues		
	Duty Draw Back and other Export Incentives	281.16	258.69
	Sale of Scrap	0.08	0.02
	Wind Power Generation	-	46.86
	Others	0.76	4.34
		282.00	309.91
NOTE 18 OTHER INCOME			
(a)	Interest Income	3.74	7.59
(b)	Dividend income: others	0.73	0.67
(c)	Other non-operating income (net of expenses directly attributable to such income)	0.01	2.41
	Total	4.48	10.67
(i)	Interest Income Comprises:		
	Interest from banks on: deposits	- 3.74	 7.59
		3.74	7.59
(ii)	Other Non - Operating Income Comprises:		
	Rental income from investment properties	0.01	0.34
	Profit on sale of fixed assets	-	0.85
	Profit on redemption of Debentures	-	1.20
	Miscellaneous income	-	0.02
		0.01	2.41



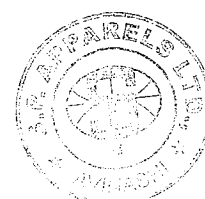
S. P. APPARELS LIMITED
Notes forming part of the financial statements

	31 March, 2013 Rs in Millions	31 March, 2012 Rs in Millions
Particulars		
NOTE 19 COST OF MATERIALS CONSUMED		
Opening Stock	492.09	284.06
Add: Purchases	1,620.18	1,650.12
	2,112.27	1,934.18
Less: Closing Stock	511.94	492.09
Total	1,600.33	1,442.09
Purchases Comprises		
Yarn	504.51	408.62
Fabric	417.96	579.82
Accessories	162.18	123.21
Cotton	80.84	80.57
Chemical & Dyes	132.74	141.92
Packing Materials, Stores & Consumables	321.94	315.99
	1,620.17	1,650.13
NOTE 20 PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)		
Garments	143.36	158.39
Total	143.36	158.39
NOTE 21 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE		
<u>Inventories at the beginning of the year:</u>		
Finished goods	111.14	137.99
Work-in-progress	636.53	538.97
Waste Stock	-	0.18
	747.67	677.14
<u>Inventories at the end of the year:</u>		
Finished goods	84.07	111.14
Work-in-progress	674.93	636.53
Stock-in-trade	-	-
	759.00	747.67
Net (increase) / decrease	(11.33)	(70.53)
NOTE 22 EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages	661.52	645.94
Contribution to Provident Funds & other Employee Funds	58.85	54.24
Staff Welfare Expenses	95.12	88.59
Total	815.49	788.77



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

Particulars	31 March, 2013 Rs in Millions	31 March, 2012 Rs in Millions
NOTE 23 FINANCE COSTS		
(a) Interest Cost on		
(i) Borrowings	334.99	312.17
(ii) Others Interest & Bank Charges	45.49	49.19
(b) Other Borrowing Cost	0.01	0.18
(c) Net (Gain)/ Loss on Foreign currency transactions and translations	(34.21)	39.73
Total	346.28	401.27
NOTE 24 OTHER EXPENSES		
Fabrication Charges	31.19	-
Power & Fuel	249.90	164.86
Repairs & Maintenance - Building	13.36	13.08
Repairs & Maintenance - Machinery	46.68	54.92
Repairs & Maintenance - Others	15.17	16.16
Other Manufacturing Expenses	446.20	525.02
Payments to Auditors (refer note 25a)	1.29	1.89
Insurance	4.82	3.83
Legal & Professional Charges	5.75	5.56
Printing and Stationary	8.99	11.45
Telephone, Postage, Telegrams & Courier	4.23	5.15
Travelling and Conveyance	21.90	21.54
Factory Lease Rent	3.44	4.24
Rent	21.27	29.31
Rates & Taxes	9.42	8.19
Electricity Charges	3.71	-
Loss on Sale of Assets	0.61	-
Managerial Remuneration - Managing Director	4.80	4.80
Managerial Remuneration - Executive Director	3.60	3.60
Director Sitting Fees	0.09	0.09
Vehicle Maintenance	7.23	4.85
Miscellaneous expenses	10.58	10.90
Commission & Brokerage	2.55	1.70
Bad Debts written off	0.19	0.08
Donation (Refer Note 41)	0.50	1.04
Clearing , Forwarding & Freight	165.69	82.05
Discount & Allowance	33.04	13.08
Business Promotional Expenses	4.25	3.62
Other Selling expenses	9.55	10.79
Loss on Exchange Fluctuation (net)	83.57	93.53
Provisions for doubtful trade receivables	6.48	-
Provisions for MTM (Gain)/Loss on forward contracts	(36.82)	7.38
Total	1,183.23	1,102.71
24a. Payment to auditors Comprises:		
As auditors - statutory audit (including service tax)	1.12	1.10
For taxation matters	0.15	0.15
For other services	-	0.61
Reimbursement of expenses	0.02	0.03
	1.29	1.89



S.P. Apparels Limited

Notes forming part of the financial statements

25. SIGNIFICANT ACCOUNTING POLICIES

25.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.

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

25.2 Fixed Assets and Depreciation

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

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

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

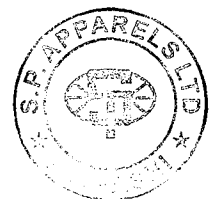
Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

25.3 Investments

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

25.4 Inventories

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



25.5 Revenue Recognition

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

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

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

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

Sale of Windmill power is recognized when invoiced.

25.6 Foreign Currency Transaction

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

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

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

25.7 Employee Benefits

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

Long Term:

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

i) Provident Fund

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

ii) Gratuity - Funded

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



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

c) Leave encashment:

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

25.8 Taxes on Income

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

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

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

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

25.9 Intangible Assets

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

25.10 Borrowing Costs

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

25.11 Government grant and subsidies

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

25.12 Impairment

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



25.13 Leases

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

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

25.14 Earnings per share

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

25.15 Provisions, contingent liabilities and contingent assets

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

25.16 Cash flow statement

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



S.P. Apparels Limited**Notes forming part of the financial statements****Additional information to the financial statements**

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

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

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

(Rs in Million)

Particulars	DTA/(DTL) 01/04/2012	DTA (Charge) / Credit for the year	DTA/(DTL) 31/03/2013
Depreciation	(276.82)	(45.75)	(322.57)
Business Losses / Unabsorbed Depreciation	158.70	39.31	198.01
Others	15.86	(13.28)	2.58
	(102.26)	(19.72)	(121.98)

28) Contingent liability

(Rs in Million)

Particulars	31/03/2013	31/03/2012
(a) Outstanding Import Letter of Credit	70.43	139.55
(b) Outstanding Inland Letter of Credit	173.00	91.09
(c) ESI demand on job work payments relating to 2000 – 01 and 2001 - 02 in respect of which interim stay has been obtained by the company	-	2.86
(d) Estimated amount of contracts remaining to be executed on the Capital Accounts(Tangible) and not provided for (Net of Advances) as confirmed by the management	26.06	64.50
(e) Income Tax Demand – disputed		
2006 - 07 – Gross	173.38	-
2009 - 10 - Gross(Rs 7 Million paid is grouped under Long term Loans and advances)	29.58	29.58



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

		31/03/2013 (Rs in Millions)	31/03/2012 (Rs in Millions)
	PARTICULARS		
30	EARNINGS IN FOREIGN EXCHANGE		
	Exports on FOB	3,287.29	3,082.83
31	EXPENDITURE IN FOREIGN EXCHANGE		
	Travelling Expenses	1.85	1.15
	Professional Fees & Others	4.72	47.25
32	IMPORTS ON CIF BASIS		
	Fabrics	46.78	82.69
	Accessories & Packing Materials	106.48	87.65
	Spares & Dyes	2.00	1.78
	Capital Goods	2.85	80.27
33	RAW MATERIALS IMPORT VS INDIGENIOUS		
	Imported	153.26	170.34
	Indigenous	1,610.27	1,638.17
	Imported	9%	9%
	Indigenous	91%	91%

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

35) Borrowing cost amounting to Rs NIL (previous year Rs. Nil million) related to ongoing civil building construction is capitalized and carried under Capital Work in Progress.

36) Earnings per share (EPS)

Particulars	31/03/2013	31/03/2012
Profit for the year (Rs in million)	32.33	28.57
Number of Weighted average equity shares (in million)	16.80	16.80
Nominal Value per share (in Rs.)	10.00	10.00
Basic & Diluted EPS (in Rs)	1.92	1.70



37) Equity investment and loans to subsidiary company M/S Crocodile products private limited

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

The company has also advanced loans (including accrued interest & Trade deposits) of Rs. 96.69 million (Rs. 96.69 million), which the management is of the opinion that these dues can be recovered in the ordinary course of business, hence no provision considered necessary.

38) Disclosure required under accounting standard 15R notified in the Companies (Accounting standard) Rules, 2006 are given below.

S.No	Particulars	Funded with LIC 31/03/2013	Funded with LIC 31/03/2012
A	Changes in present value of obligation	(Rs. In Million)	(Rs. In Million)
	Present value of obligation as on 01st April	18.60	19.26
	Interest cost	1.55	1.65
	Current service cost	6.60	9.53
	Benefits paid	(3.03)	(3.94)
	Actuarial Gain/(Loss) on obligations	(8.28)	(7.90)
	Present value of obligation as on 31st March	15.45	18.60
B	Change in Fair Value of Assets during the year ended 31st March		
	Fair value of plan assets as at 1st April	2.91	6.33
	Expected return on plan assets	0.12	0.44
	Contributions made	0.19	0.08
	Benefits paid	(3.03)	(3.94)
	Actuarial Gain/(Loss) on plan assets	(0.04)	
	Fair value of plan assets as at 31st March	0.16	2.91
C	Net Asset/(Liability) recognized in the Balance Sheet		
	Present value of obligation as on 31st March	15.45	18.60
	Fair value of plan assets as on 31st March	0.16	2.91
	Funded status surplus/(deficit)	(15.29)	(15.69)
	Unrecognised past service cost	-	-
	Net Asset/(Liability) to be recognised in the Balance sheet	(15.29)	(15.69)
D	Expenses recognized during year ended 31st March		
	Current service cost	6.60	9.53
	Interest cost	1.55	1.65
	Expected return on plan assets	(0.12)	(0.44)
	Actuarial Loss/(Gain) during the year	(8.24)	(7.90)
	Expenses to be recognized in Statement of Profit and loss	(0.21)	2.84



E	Actuarial Assumptions		
	Discount Rate	8.05%	8%
	Expected return on Plan assets	8.05%	8%
	Rate of escalation in Salary	7%	6.50%
	Attrition rate	5%	1% to 3%
	Mortality rate	Indian Assured Lives Mortality (2006 - 08)	LIC (1994 - 1996)

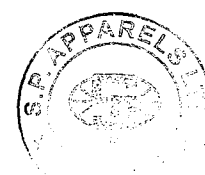
39) Segment information

Particulars	31/03/2013	31/03/2012
(a) Primary Segment by products		
The Company operates primarily in a single business segment of manufacture and sale of garments		
(b) Secondary Segment by Geographical area based on location of Customers	(Rs. In Million)	(Rs. In Million)
Segment Revenue		
Outside India	3,287.29	3,082.23
in India	1,005.65	929.88
Segment Assets		
Outside India	430.31	445.76
in India	5,015.11	5,224.33
Capital Expenditure- In India	344.89	584.78

40) Details on Derivative instruments (For Hedging)

(a) MTM on FORWARD CONTRACTS

During the year the company has recognised Mark to Market gain on outstanding forward contracts amounting to Rs 36.82 Million (As at 31st March 2012 loss Rs.7.38 Million).



(b) Forward Contracts and options entered into by the company and outstanding as at 31st March 2013 for hedging currency related risks. (Rs. In Million)

Particulars	Currency	Cross Currency	Buy/Sell	2012-13		2011-12	
				Amount in FC	Amount in INR	Amount in FC	Amount in INR
Forward Contracts	USD	INR	SELL	9.55	548.07	6.6	337.05
	EUR	INR	SELL	0.81	59.71	1.11	76.23
	GBP	INR	SELL	5.32	467.07	5.52	485.87
	USD	INR	BUY	-	-	0.3	14.98
Options	USD	INR	PIAIN-PUT BUY	-	-	1.00	5.20

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

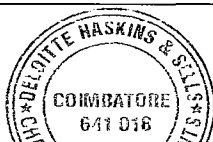
(Rs. In Millions)

Particulars	Currency	31-Mar-13	31-Mar-12
Payables	USD	0.20	2.10
	EURO	0.10	0.01
	YEN	41.61	42.21
	CHF	0.01	0.00
	GBP	0.00	0.00
Receivables	EURO	0.98	0.00

41) Related party transaction

41.1) Details of related parties:

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



Enterprises owned by Key Managerial Personnel

Poornam Beverages Private Limited

SP – Textiles

SP – Lifestyles

Enterprise over which Key Managerial Personnel are able to exercise significant influence.

Enterprise over which Key Managerial Personnel are able to exercise significant influence.

Enterprise over which Key Managerial Personnel are able to exercise significant influence



S.P. Apparels Limited
Notes forming part of the financial statements

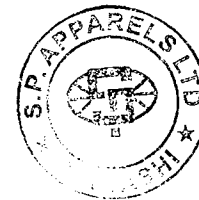
41) Related party transactions

41.2 Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

	Transaction Details													
	Sale of Goods & Service		Purchase of Goods & services		Interest income on loans & Advances		Remuneration		Lease Rent Paid		Lease Rent Received		Interest Expenses	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Subsidiary Company														
Crocodile Products P Ltd, Coimbatore	0.77	0.52	149.35	110.05	0.00	3.05					0.66	0.05		
Key Managerial Personnel														
Mr.P.Sundararajan							4.80	4.80	2.9	3.49				
Mrs S.Latha							3.60	3.60	0.54	0.65				
Relatives of key managerial personnel														
Mr.S.Chendhuran														
Mr.P.Ashokraman														
Mr.P.Ve usamy														
Enterprises owned by KMP														
Poomam Beverages P Ltd.									0.60	0.60				
S.P.Textiles														
S.F.Lifestyles			4.36											
Enterprises owned by relatives of KMP														
Perumal Spinning Mills P Ltd, Salem	0.05												0	0.44
S.P.Superfine Mills P Ltd., Salem	0.07	0.04	5.00											

42) Previous year's figures

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

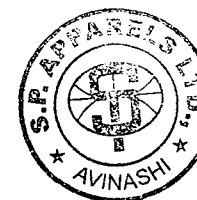


S.P. Apparels Limited
Notes forming part of the financial statements

11) Related party transactions

11.2 Details of related party transaction

	USL Accepted/ Repaid (Net)			Loans & Advances granted		Loans & Advances		Remuneration payable		Lease Rent payable		Lease Rent security deposit	
	31/03/2013		31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	Accepted	Repaid											
Subsidiary Company Crocodile Products P Ltd, Coimbatore													
Key Managerial Personnel Mr.P.Sundararajan Mrs. S.Latha	73.58 4.2	41.5 1.35	20.10 -30.05					3.22 2.70	0.28 0.71	6.89 1.66	4.28 1.17	4.22 0.78	4.22 0.78
Relatives of key managerial personnel Mr.S.Chendhuran Mr.P.Ashokraman Mr.P.Velusamy	1.81	1.74	0.11										
Enterprises owned by KMP Soomam Beverages P Ltd. S.P.Textiles S.P.Lifestyles		0.10									0.54		
Enterprises owned by relatives of KMP Perumal Spinning Mills P Ltd, Salem S.P.Superfine Mills P Ltd., Salem	0		-5.52										



S.P. Apparels Limited
Notes forming part of the financial statements

11) Related party transactions

11.2 Details of related party transaction

	Outstanding Balances									
	USL		Sundry Creditors		Sundry Debtors		Invnt in Equity Shares		Loans & Advances	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Subsidiary Company Crocodile Products P Ltd, Coimbatore				13.66	9.91	6.00	63.74	63.74	96.69	60.38
Key Managerial Personnel Mr.P.Sundararajan Mrs. S.Latha	235.35 8.01	198.76 5.25								
Relatives of key managerial personnel Mr.S.Chendhuran Mr.P.Ashokraman Mr.P.Velusamy	10.25 2.50	10.18 2.50	0.04 0.04	0.04 0.04						
Enterprises owned by KMP Moornam Beverages P Ltd. S.P.Textiles S.P.Lifestyles			2.09 2.05	1.67 1.02					0.44	5.00
Enterprises owned by relatives of KMP Perumal Spinning Mills P Ltd, Salem S.P.Superfine Mills P Ltd., Salem			11.50	11.50	0.05					

