



**S. P. APPARELS LIMITED**

**ANNUAL  
REPORT  
2023-24**



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## Chairman's Message

### Dear Esteemed Shareholders,

Thank You for your unwavering confidence in S.P. Apparels Limited (SPAL). I am pleased to share my thoughts on the past financial year and chart the course for future. Our dedication is to steer with intention and expand with accountability. We will uphold eco-friendly initiatives and prioritize the welfare of our workforce, clientele, and the wider community. My thanks go out to every one of our stakeholders for their consistent support.

The Indian textile industry is undergoing a shift in market dynamics as the global focus turns to the "China Plus One" strategy. This approach is prompting a diversification of supply chains away from China.

Moreover, current political challenges and the escalation of labour costs in Bangladesh are prompting various players to reassess their heavy reliance on the region and to consider for alternatives; which favours India and Sri Lanka. These macroeconomic shifts have placed us in a beneficial spot, with a significant surge in demand from industry players to expand operational capacities to meet the growing demand. The increased export interest, along with the trust and reputation SPAL has built with its clientele, underscores the substantial opportunities that await.

We are positive about capitalizing on this shift and are adopting a strategy to enhance our operations, leading to better utilization and increased production. In addition to optimizing our current resources, we are also continuously exploring to acquire new facilities to grow and diversify our output.

During FY24, we have incorporated a subsidiary in Sri Lanka as there is availability of ample ideal capacity and skilled workforce. Initially, we will use an asset-light model, establishing strategic partnerships to support our operations and gradually expand this business. We have already seen interest from customers ready to place orders with our new entity. This area offers a notable opportunity for growth in the coming times.

I am proud to announce of our recent acquisition of Young Brand Apparel Private Limited including a garment manufacturing unit in Palladam and a plot of land at SIPCOT. This strategic move broadens our portfolio into the intimate wear and is in perfect harmony with our objectives of diversification and boosting our export capabilities. This integration of Young Brand with SPAL's garment division paves the way for cross-selling opportunities between customers of the SPAL's garment division and Young Brand. Looking forward, we anticipate a promising increase in the profit margins of Young Brand Apparels.

With regards to our various segments, our spinning segment underwent turbulence, yet we anticipate a stable performance going forward. The Garment Division is now producing intimate wear by the addition of Young Brand and we are excited to announce the commencement of operations of our new facility in Sivakasi in the second half of the financial year 2025. The SPUK segment is set for robust growth with a revamped team and clients. Meanwhile, our Retail division is strategically exiting from the unprofitable HEAD brand to concentrate on enhancing Crocodile and Angel & Rocket, with the goal of reaching a break-even point in the foreseeable future.

We are deeply committed to the principles of sustainability, recognizing the importance of environmental stewardship in today's global landscape. We have taken a proactive stance by setting an ambitious target to achieve carbon neutrality by the year 2033. This commitment involves a comprehensive strategy that includes reducing greenhouse gas emissions, implementing energy-efficient processes, investing in renewable energy sources, and pursuing carbon offset initiatives. By striving for carbon neutrality, we aim to minimize our ecological footprint and contribute positively to the fight against climate change, ensuring a healthier planet for future generations.

The company is excited to introduce ESOPs for the first time, recognizing and rewarding the hard work and dedication of its employees. This initiative reflects our commitment to sharing success and fostering a sense of ownership among our team.



Looking ahead, the garment division is set to grow with the new capacity in Sivakasi and better use of existing resources. The Sri Lankan subsidiary is drawing customer interest and is expected to significantly boost growth. The Young Brand acquisition is poised to positively influence our business. Moreover, the SPUK and Retail divisions are on track to reach break-even. Together, these developments are laying the groundwork for strong growth in the future.

I extend my heartfelt gratitude to all our stakeholders, robust network of suppliers, dedicated management team and to each employee for their steadfast support. Thank you for your continued trust in our vision and for joining us on this journey of growth and transformation. I look forward to sharing our continued success in the years to come.

**Thank You**  
**Sincerely**

**Mr. P. Sundararajan**  
**Chairman and Managing Director**

# PROFILE

## BOARD OF DIRECTORS

### Mr. P. Sundararajan

Chairman and Managing Director

### Mrs. S. Latha

Executive Director

### Mr. S. Chenduran

Joint Managing Director

### Mrs. S. Shantha

Joint Managing Director

### Mr. V. Sakthivel

Independent Director

### Mr. A.S. Anandkumar

Independent Director

### Mr. C.R. Rajagopal

Independent Director

### Mrs. H. Lakshmi Priya

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

## STATUTORY AUDITORS

### ASA & Associates LLP

Chartered Accountants

Unit 709 & 710, 7th Floor, 'BETA Wing',  
Raheja Towers, New Number 177, Annasalai,  
Chennai - 600 002.

## SECRETARIAL AUDITOR

### MDS & Associates LLP

Coimbatore - 641 028

## INTERNAL AUDITORS

### BM & Associates

Chartered Accountants

Coimbatore - 641044.

## REGISTERED OFFICE

39-A, Extension Street,  
Kaikattipudur, Avinashi - 641 654,  
Tirupur District

## 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

## BANKERS

State Bank of India, Coimbatore

IDBI Bank Limited, Coimbatore

The Hongkong and Shanghai Banking  
Corporation Limited, Coimbatore

HDFC Bank, Coimbatore

**COMPANY CIN : L18101TZ2005PLC012295**

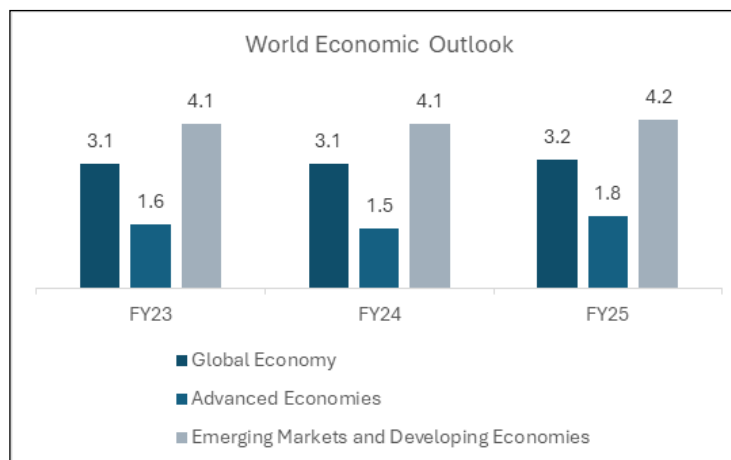
# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY AND OUTLOOK

The global industry displayed remarkable adaptability and resilience in the face of numerous challenges in 2023. Despite supply chain disruptions stemming from the pandemic and exacerbated by the conflict between Russia and Ukraine, the industrial sector managed to sustain growth. This period was marked by significant volatility in global energy and food supplies, leading to elevated inflation rates, which are now anticipated to decline in FY24-25.

Advanced economies saw eased fiscal policies in 2023, but tighter stances are expected in 2024 to address rising debt levels, likely slowing near-term growth. Conversely, emerging market and developing economies experienced a stable fiscal position despite lower economic output compared to pre-pandemic levels. Trade growth, although projected to be 3.3% in 2024 and 3.6% in 2025, remains below historical averages due to ongoing trade distortions and geopolitical fragmentation.

According to the IMF's World Economic Outlook, global growth is forecasted to sustain at 3.2% in 2025, with inflation rates declining progressively. The industrial sector has benefited from favourable supply-side dynamics and monetary tightening by central banks, aiding in a faster-than-expected reduction in inflation. Despite prolonged geopolitical conflicts and disruptions in critical shipping routes, such as the Red Sea, major manufacturing hubs like Bangladesh are poised for economic upswing, driven by robust demand and rising exports.



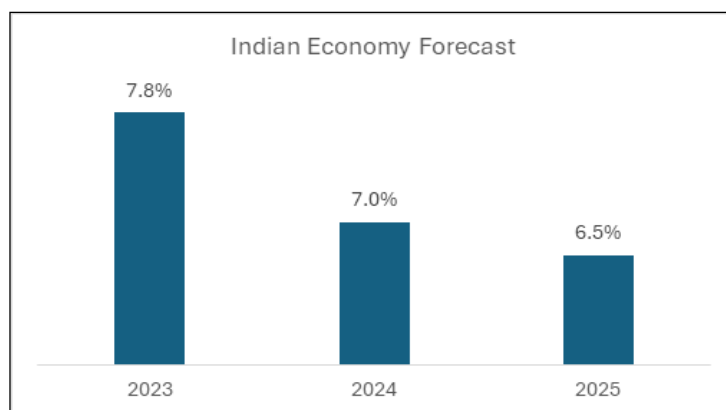
Source: IMF Report

## INDIAN ECONOMIC OVERVIEW & OUTLOOK

India's industrial sector has demonstrated impressive growth, pushing the country ahead of the UK to become the world's fifth-largest economy in FY23. According to the International Monetary Fund (IMF), India is expected to become the third-largest economy within the next five years. This growth is driven by strong domestic demand, substantial investment flows, and ongoing government spending.

In FY2023-24, India's economy and financial system remained strong due to solid macroeconomic fundamentals, moderating inflation, and a stronger position in global trade. The GDP growth rate of 10.1% in Q3FY24 highlights significant economic expansion. Despite challenges like geopolitical tensions and fluctuating foreign direct investment trends, India continues to thrive due to its stability efforts and structural reforms. The IMF projects growth rates of 6.8% in 2024 and 6.5% in 2025, supported by high demand and increased government spending on infrastructure. The Union Budget FY24-25 has increased capital expenditure by 11.1% to Rs. 11 Lakh Crore, further promoting infrastructure development.

Additionally, the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme, with a substantial budget allocation of Rs. 15,070 crores and a 10% increase planned for FY24-25, aims to enhance India's global competitiveness and boost exports. The first half of FY24 saw significant contributions from the industrial and services sectors, with the manufacturing sector growing faster than services. The Reserve Bank of India's proactive monetary policy actions and commitment to price stability have also positively impacted economic growth.



Source: IMF Report

## MANAGEMENT DISCUSSION AND ANALYSIS

### TEXTILES

#### Global Textile Industry

In recent years, the global apparel market has experienced significant growth, with a projected compound annual growth rate (CAGR) of 8%. The market is expected to reach \$656 billion in CY2024, up from \$655.7 billion in CY2023. This expansion is driven by strong economic growth in emerging nations, increased foreign direct investments, higher demand for synthetic fibres, and technological advancements. The global textiles and apparel trade is also set to grow, projected to reach \$1,284 billion in CY2028 from \$942 billion in CY2022, with a CAGR of 5.5%. Emerging economies like Vietnam and Bangladesh are expected to see robust CAGRs of 4.2% and 7.7% from CY2023 to CY2028, respectively, highlighting their growing importance in the global apparel market.

China led the textile exports in 2021 with a 31% market share, followed by Bangladesh with a 5% share. However, rising production costs in China have reduced its export share, benefiting countries like Bangladesh and Vietnam, which are now catering to buyers seeking supply base diversification. The industry also saw the EU's announcement to produce, distribute, and consume textiles and apparel sustainably by 2030. Brands and manufacturers must align with this vision to remain competitive.

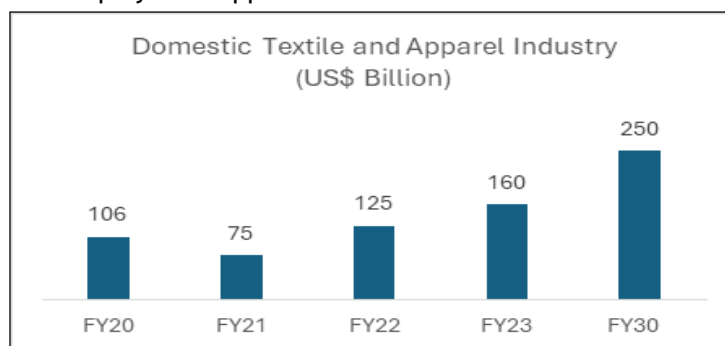
Market trends indicate subdued demand for textiles and apparel due to inflation and recessionary trends in markets such as the US and EU. This situation has created opportunities to shift the supply chain geography away from China towards smaller exporters.

#### Indian Textile Industry

As of 2023, the Indian Textile and Apparel (T&A) Industry was valued at USD 165 billion, with a market composition of 76% domestic and 24% export. India stands as the second-largest producer and the largest exporter of textiles and garments globally. The domestic T&A industry registered a growth of 7% and is projected to grow at a rate of 10%. The export market has achieved a 4% CAGR since 2010 and is expected to grow at 10% until 2031. Notably, in the first half of 2022, exports nearly reached an all-time high before experiencing a significant decline in the latter half of the year. As of FY24, Indian T&A exports amounted to USD 28.72 billion.

Additionally, India has entered Free Trade Agreements (FTAs) with the UAE, Australia, and Canada. The industry employs 45 million people, making it the second-largest employer after agriculture.

The Indian T&A industry benefits from several competitive advantages. There is robust demand in the market, with projections indicating continued growth. India enjoys a comparative advantage in skilled manpower and production costs relative to other textile-exporting nations. During April-June FY24, exports for 247 technical textile items stood at USD 715.48 million. The industry receives significant support from regulatory policies, including the allowance of 100% FDI in textiles. Investment in the industry has been on the rise. In June 2023, the government approved R&D projects worth USD 7.4 million in the textile sector. The introduction of the Amended Technology Upgradation Fund Scheme, a credit-linked subsidy scheme, aims to encourage investment in the T&A industry, thereby increasing private equity investments and employment opportunities.



Source: IBEF report on textile industry

### APPAREL & RETAIL

#### Global Industry

In recent years, the global apparel market has witnessed significant growth and is anticipated to continue expanding at a compound annual growth rate (CAGR) of 8%. This growth is driven by robust economic development in developing countries, a surge in foreign direct investments, increased demand for synthetic fibres and advancements in technology. The global textiles and apparel trade is projected to reach \$1,284 billion in CY2028, rising from \$942 billion in CY2022, with a CAGR of 5.5%.

Furthermore, companies setting up manufacturing facilities



closer to consumer markets is contributing to shorter lead times, reducing transportation costs and enhancing supply chain transparency. Additionally, growing emphasis on trade practices among countries which are political and economic allies, aimed at mitigating geopolitical risks. These trends emphasise flexibility and adaptability in modern manufacturing, fuelling growth in the apparel market. *Source: IBEF report on Textile Industry*

### Indian Market

The Indian apparel retail sector is poised for significant growth by 2027, with its value projected to increase to \$89,219 million by 48.7% from 2022. This growth is anticipated to occur at a compound annual growth rate of 8.3% from 2022 to 2027. A key factor driving this expansion is the escalating presence of international brands and retailers, which are entering the Indian market through various collaborations. International apparel giants like Hugo Boss, Diesel and Kanz have already started their operations in India. This trend along with India's strong exports of garments and textiles, fuelled by a surge in disposable incomes and growing consumer demand for sustainable and ethical fashion, is laying the groundwork for a thriving apparel industry in India.

Additionally, India's apparel market benefits from a comparative advantage in terms of skilled manpower and lower production costs compared to other major textile producing countries, making India an attractive hub for both production and retail in the apparel industry.

*Source: IBEF report on Textile Industry*

### COMPANY OVERVIEW

S.P. Apparels Ltd is a prominent manufacturer and exporter of knitted garments, shaping the future through sustainable practices. With the large network of factories, the Company provides a robust platform for sourcing, manufacturing and supply chain management with a market growth headed by children and kids wear. Additionally, the company manufactures menswear garments in India under the "Crocodile" brand.

### EMPLOYEE WELFARE

SPAL is committed to promoting employee well-being, learning and diversity. We recognise that happy and healthy

employees are more productive and engaged. We continue to support their personal and professional growth by offering upskilling opportunities and prioritising employee happiness and well-being. We encourage employees to think outside the box, take calculated risks, and continuously adapt to changing market conditions. An entrepreneurial model in the workplace leads to increased competitiveness, growth and success for the company and its employees. By nurturing an entrepreneurial culture, we are empowering our employees to take ownership of their work and drive performance to new levels. Through a focus on innovation, our employees are well positioned to deliver exceptional value to our customers and contribute to the Company's continued success.

### RISKS AND CONCERNS

#### Raw Materials Risks:

India is one of the largest producers of cotton yarn in the world. The margins of the Indian textile industry are impacted by the fluctuations in cotton prices. In 2023-24 margins improved because of gain in cotton price movement, although average realization may decline due to deflation in raw material cost.

#### Inflation risk:

India has seen variable inflation trends historically. While fluctuations in inflation rates can present challenges in forecasting and managing our costs, they also encourage us to enhance our financial strategies and cost management practices. If there is a surge in the cost of raw material or a rise in employee benefit payments due to inflation, we are capable of mitigating the impact. Our goal is to minimize the impact on our customers and maintain the integrity of our business operations.

#### Safety risk:

Ensuring a safe and healthy working environment for everyone is vital for boosting productivity and nurturing organisational development. We at SPAL equip the workplace with the necessary safety equipment and keep all the machinery in good working order through regular maintenance and safety inspections.

#### **Finance and credit risk:**

We evaluate and manage credit risk continuously. To mitigate credit risk, we diligently track the creditworthiness of debtors through internal systems that are configured to define credit limits of customers.

#### **Exchange risk:**

S.P. Apparels faces exposure to foreign exchange rate fluctuations as considerable portion of its revenue is from other countries. To mitigate the risks associated with foreign exchange fluctuations that affect our commercial dealings and recognized foreign currency assets and liabilities, we strategically employ forward contracts and engage in hedging activities as needed. Additionally, we have a skilled team of professionals for managing forex concerns, ensuring that our approach to foreign exchange risk is both effective and informed.

#### **Regulatory Changes:**

Adjustments to regulations and government incentives present opportunities for the company to adapt and innovate, potentially enhancing its business and profitability. The Indian government has historically supported the textile sector with incentives such as RoSCTL and EPCG fostering production and export growth. While these incentives may evolve, the company is poised to leverage its operational strength to maintain and improve its market position.

#### **FINANCIAL PERFORMANCE:**

##### **Performance on a Standalone basis:**

In FY 2023-24 your company has recorded a total revenue of Rs. 9,639.8 Mn as against Rs. 9,623.2 Mn in FY 2022-23. EBITDA stood as Rs.1,838.7 Mn as against Rs. 1,716.4

Mn in the previous year. PAT was Rs. 1,037.6 Mn as against Rs 918.1 Mn in FY 2022-23. EPS for FY 2023-24 was Rs. 41.3 as against Rs. 36.0 in the previous year.

##### **Performance on a consolidated basis:**

In FY 2023-24 your company has recorded a total revenue of Rs.11,036.7 Mn as against Rs. 11,008.9 Mn in FY 2022-23. EBITDA stood as Rs. 1,740.9 Mn as against Rs. 1,655.3 Mn in the previous year. PAT was Rs. 896.2 Mn as against Rs. 825.1 Mn in FY 2022-23. EPS for FY 2023-24 was Rs. 35.7 as against Rs. 32.3 in the previous year.

#### **Internal control system and adequacy**

The company's internal control systems for financial reporting are robust and are commensurate with its size and its industry sectors. These systems ensure efficiency and productivity at all levels, while safeguarding your company's assets. Stringent procedures are in place to ensure high accuracy in recording and providing consistent financial and operational support. Business operations are closely monitored by the internal team and the Management. The Board is promptly notified in case of any deviations. To ensure seamless growth, risk identification & assessment and mitigation strategies are designed and continuously recalibrated on the basis of these findings.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

During the year under review, industrial relations at our plant locations remained harmonious. Your Company emphasizes on the safety of people working in its premises. Structured safety meetings were held and safety programs were organized for them throughout the year.

## KEY RATIOS

As per provisions of SEBI Listing Regulations, 2015, (Explanations for significant change i.e. change of 25% or more as compared to the Immediate previous financial year calculated on standalone basis) are given below:

Key Financial Ratios	2023-24	2022-23	% of change	Explanation for the change
Debtors Turnover	15.00	18.03	-17.04 %	All the ratios have improved due to good performance and better financial management.
Inventory Turnover	1.53	1.43	6.99%	
Current Ratio	2.26	1.68	34.52%	
Interest Coverage Ratio	11.35	8.83	28.54%	
Debt Equity Ratio	0.16	0.28	-42.86%	
Operating Profit Margin (%)	0.16	0.15	6.67%	
Net Profit Margin (%)	0.11	0.10	10.00%	

## DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present the 19th Annual Report on the business and operations of the Company together with the Audited Financial Statements (Standalone & Consolidated) for the year ended 31st March, 2024.

### FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2024 is summarised below:

(in Million)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	9483.20	9424.96	10873.55	10808.55
Other Income	156.64	198.24	163.17	200.36
Total Income	9639.84	9623.20	11036.72	11008.91
Total Expenses before Interest & Depreciation	7801.15	7906.78	9295.79	9353.55
Profit before Interest & Depreciation	1838.39	1716.42	1740.93	1655.36
Less: Interest	131.14	156.16	186.99	186.19
Depreciation	350.61	337.51	377.54	361.53
Profit Before Tax	1356.94	1222.75	1176.40	1107.64
Less : Taxation				
Provision for Current Tax	309.78	302.37	309.78	302.37
Prev period Tax	-6.80	-2.62	-6.80	-2.62
Deferred Tax Expenses / (Credit)	16.34	4.87	-22.83	-17.23
Total Tax Expenses	319.32	304.62	280.15	282.52
Profit After Tax from continuing operations	1037.62	918.13	896.25	825.12
Profit After Tax from discontinuing operations	-	-	-	-
Profit After Tax	1037.62	918.13	896.25	825.12
Other comprehensive Income (Net of tax)	76.98	-66.02	76.98	-66.02
Minority Interest	-	-	-0.59	-0.30
Total Comprehensive Income	1114.60	852.11	972.64	758.80

### Review of Operations:

#### Garment Division

Financial Year 23 - 24 has been a year with consolidation and sustainability. Raw material cost have corrected and have come down. We were able to sustain the revenue despite material cost coming down. Margins were affected due to some air freight during Q4.

Spinning industry has picked up after the cotton prices were stabilised and we expect the cotton price to come down further which in turn will improve the margins of the company.

#### S.P. Retail Ventures Limited

Financial year 23 - 24 has also been a very tough year for the Retail sector. Inflation and higher interest cost is created some stress in the retail industry.

The new brands that were added to the portfolio of brands had impacted the margins of the S.P. Retail Ventures Limited. This is mainly due to the brand HEAD where the minimum guaranteed sales were not achieved, and we were also losing margins due to lack of sales. However, we have given a termination notice to "HEAD" and will exit the brand from December 2024.

## DIRECTORS' REPORT (CONTD.)

We are confident that SP Retail ventures will be able to raise capital during the current financial year to support their aspiration of growth and cash flows.

### S.P. Apparels (UK) (P) Ltd

S.P. Apparels (UK) (P) Ltd has undergone a tough year. Inflation, High Interest cost & high inventory with Retailers put pressure in the demand and margins of the company. There is also change in the management team of S.P. Apparels (UK) (P) Ltd. They also had to move to a new premises in London.

The new team is confident that they will be able to revive the revenue and grow in the years to come.

### OPERATIONS

The Company achieved a total turnover of Rs. 9639.84 Million as against Rs.9623.20 Million in the previous year. The Company's Profit Before Tax is Rs.1356.94 Million during the year, as compared to Rs. 1222.75 Million in the previous year, with an increase of 10.97% over the last year. The Company earned a Net Profit of Rs.1037.62 Million, as against a Net Profit of Rs.918.13 Million in the previous year.

There was no change in the nature of business of the Company during the financial year ended 31st March, 2024.

### DIVIDEND

Considering the need for acquisition fundings, your Board of Directors has not recommended any dividend on the equity shares of the Company for the financial year 2023-2024.

As per the requirements of SEBI notification no. SEBI/LAD/NRO/GN/2016-17/008 dated 8th July 2016 the Company has formulated a Dividend Distribution Policy which has been duly approved by the Board of Directors. A copy of the Dividend Distribution Policy is available on the Company's website: <https://www.s-p-apparels.com/assets/img/docs/Dividend-Distribution-Policy.pdf>

### TRANSFER TO RESERVES & SURPLUS

As at March 31, 2024 the Company had reserves of Rs. 7539.11 Million. During the year under review, the company has

transferred Rs.1037.62 Million to Retained Earnings (Other Equity).

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 and 125 of the Companies Act, 2013, the unpaid/unclaimed Dividend relating to the financial year 2016-17, is due to transfer during September 2024 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, during the year under review, there was no unpaid/unclaimed Dividend, and hence, 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 Authorised Share Capital of the Company is Rs. 47,25,00,000/- divided into 4,72,50,000 equity shares of Rs. 10/- each and the issued share capital of the Company as at 31.03.2024 stood at Rs.25,69,26,000/- divided into 2,56,92,600 Equity Shares of Rs.10/- each and the subscribed and paid-up share capital of the Company as at 31.03.2024 stood at Rs.25,09,26,000/- divided into 2,50,92,600 Equity Shares of Rs.10/- each.

### WEBLINK OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2023-24 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company at the link [https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2024/08/Form-MGT-7\\_Website-final.pdf](https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2024/08/Form-MGT-7_Website-final.pdf)

### CAPITAL EXPENDITURE

As on 31st March, 2024, the gross fixed assets block stood at Rs.8116.10 Million and net fixed assets block at Rs.4523.90 Million. Additions to Fixed Assets during the year amounted to Rs. 507.74 Million.

## DIRECTORS' REPORT (CONTD.)

### 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 enumerated 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 meeting 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 controls were adequate and operating effectively and
- (f) the directors had devised proper systems to ensure

compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 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 and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. During the year, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of directors and Committee(s). The details of remuneration and /or other benefits of the Independent director are mentioned in the Corporate Governance Report. 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.

Based on the confirmation / disclosures received from the Directors and on the evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

Mr.V.Sakthivel, Mr.A.S. Anand Kumar, Mr.C.R.Rajagopal and Mrs.H.Lakshmi Priya

Pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014, the Certificate of Registration received from all the Independent Directors of the Company were taken on note by the Board of Directors.

## DIRECTORS' REPORT (CONTD.)

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

The Board of Directors have evaluated the Independent Directors during the year 2023-24 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is 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 <https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2022/08/NOMINATION-AND-REMUNERATION-POLICY-11-02-2022.pdf>

### COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. ASA & Associates LLP, Statutory Auditors in their report.

Regarding the remarks made by M/s. MDS & Associates LLP, Secretarial Auditors of the Company in their report (Annexure D), your Director's ensure timely compliance going forward.

### 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 given loans, provided guarantees and made investments including investments in mutual funds and complied with the provisions of section 186 of the Companies Act 2013 and as required therein the details of the loans given, guarantees provided and investments made are annexed by way of notes to accounts. However, the Company has not provided security in connection with a loan to any other body corporate or person during the year under review.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) during the financial year 2023-24 were in the ordinary course of business and on an arm's length basis and not material in nature and thus a disclosure in Form AOC-2 is not required.

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 <https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2022/08/RPT-Policy-Rev.pdf>

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

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial year ended 31st March 2024 relate and the date of the report.

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

The information pertaining to conservation of energy, 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-A and is attached to this report.

## DIRECTORS' REPORT (CONTD.)

### STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Committee has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. The Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure is reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

### DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Corporate Social Responsibility Committee has 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. For other details regarding the CSR Committee, refer to the Corporate Governance Report, which is a part of this report. The annual report on CSR activities is annexed in Annexure-B herewith. The CSR policy may be accessed on the Company's website <http://www.s-papparels.com/assets/img/docs/CSR%20Policy.pdf>.

### CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have attached the Consolidated Financial Statements in the Annual Report 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 shows a significant increase in revenue.

### 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

Mrs.S.Shantha (DIN: 00088941), Joint Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Your Directors recommend her re-appointment.

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 - Joint Managing Director  
Mrs.S.Shantha - Joint Managing Director  
Mrs.P.V.Jeeva - Chief Executive Officer - Garments Division.  
Mr.V.Balaji - Chief Financial Officer and  
Mrs.K.Vinodhini - Company Secretary & Compliance Officer.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES.

The consolidated financial statements of the company and its subsidiaries Crocodile Products Private Limited, S.P.Apparels (UK) (P) Limited and S.P Retail Ventures Limited were prepared in accordance with the applicable accounting standards have been annexed to the Annual Report.



## DIRECTORS' REPORT (CONTD.)

The annual accounts of the subsidiary companies are posted on the website of the Company viz. <https://www.s-p-apparels.com/wp/financial-information/> and will also be kept open for inspection by any shareholder at the Registered Office of the Company.

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 Form AOC - 1 and is attached as Annexure-C to this report.

The Company has acquired M/S. Young Brand Apparel Private Limited as a wholly owned subsidiary company from M/S. Bannari Amman Spinning Mill Limited and during the year the Company has incorporated a wholly owned subsidiary company M/s. S.P.Apparels International Private Limited at Srilanka.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy may be accessed at: <https://www.s-p-apparels.com/assets/img/docs/POLICY-FOR-DETERMINATION-OF-MATERIALITY-OF-INFORMATION-OR-EVENTS-14.11.2016.pdf>

The Company does not have Joint Venture or Associate Company.

### FIXED DEPOSITS

Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March, 2024 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

### FINANCE

Prompt repayments, facilitated by healthy cash flows, elevated the standing of your Company. It enabled prudent 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) is 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 19th September 2022 from the conclusion of the 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting to be held in the year 2027. M/s.ASA & Associates LLP, Chartered Accountants, Chennai have given a certificate of consent under section 139 of the Companies Act 2013 to act as the Statutory Auditors of the Company. 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.

## DIRECTORS' REPORT (CONTD.)

### b) SECRETARIAL AUDITORS

The Board has appointed M/s. MDS & Associates LLP, Company Secretaries, Coimbatore (LLPIN: ABZ-8060) as the Secretarial Auditors of the Company for the year 2024-25 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 2023-24 is annexed as Annexure-D to this Report.

### c) INTERNAL AUDITOR

The Board has appointed M/s. BM & Associates, Chartered Accountants, Coimbatore as Internal Auditors for the financial year 2024-25 pursuant to the provisions of Section 138 of the Companies Act, 2013.

### EMPLOYEE WELFARE

The Employee Welfare Initiatives and practices followed by the Company is among the best in the Corporate sector. The strength of company's employees is close to 12,462.

### 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.

1. Number of complaints received - Nil
2. Number of complaints disposed of - NA

### PARTICULARS OF EMPLOYEES

The statement pursuant to 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-E attached to this report.

### MANAGEMENT DISCUSSION & ANALYSIS

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis Report outlining the business of your Company forms part of this Annual Report.

### BUSINESS RESPONSIBILITY REPORT

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. The Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format as specified by SEBI vide Circular CIR/CFD/CMD/10/2015 dated November 04, 2015 (as amended) forms part of this Annual 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 (as amended).

### 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. The 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

## DIRECTORS' REPORT (CONTD.)

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 [https://www.s-p-apparels.com/assets/img/docs/Vigil-Mechanism-Policy\\_Revised.pdf](https://www.s-p-apparels.com/assets/img/docs/Vigil-Mechanism-Policy_Revised.pdf)

### DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

No applications has been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

### DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

### INDUSTRIAL RELATIONS

The relationship between the management and the employees at all levels during the year under review has been cordial and productive.

### CAUTIONARY NOTE

Certain statements in "management discussions and analysis" section may be forward looking and are stated as required by law and regulations. Many factors, both external and internal, may affect the actual results which could be different from what the directors envisage in terms of performance and outlook.

### 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 : 10.08.2024

**ANNEXURE - A**

**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:**

The following energy conservation step is taken in our Processing Division:

- Installed thermic fluid heater firing chamber, Sonic soot blowers & Water economizer in the boiler which helps to reduce coal consumption.
- CFL , Fluorescent lamps were replaced with Energy efficient LED lights.
- Clutch motors were replaced with Energy efficient Servo motors in the sewing machines to reduce significant consumption of electricity.
- Power saving by installation of variable frequency drives (VFD's) in the humidification plants

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

- Our Company consumes 82% of its electricity from renewable sources like solar and windmill, reducing our dependence on conventional energy, contributing to our goal of reducing Green House Gases and carbon footprint
- The Company has a futuristic vision to attain 100 % of its power consumption by way of renewable energy sources by 2030.

**III. Capital investment on energy conservation equipment:**

- The Company has made a significant investment in the energy saving equipments.

**Total Energy consumption and energy consumption per unit of production:**

Particulars	2023-24	2022-23
<b>1. Electricity</b>		
<b>a) Purchased</b>		
EB units (Kwh)	7018021	6661543
Wind mill units (Kwh)	36873786	31138337
Thermal units (Kwh)	0	0
TPP units (Kwh)	0	0
Total units (Kwh)	43891807	37799880
Total amount (Rs.)	376160098	308077397
Cost / unit (Rs. / Kwh)	8.57	8.15
<b>b) Own generation</b>		
Through Solar Roof top		
Units (Kwh)	1468006	1009322
Total amount (Rs.)	9988893	6739462
Cost / unit (Rs. / Kwh)	6.80	6.68
Through Diesel Generator		
Units (Kwh)	439176	545141
Total amount (Rs.)	13541418	17418069
Cost / unit (Rs. / Kwh)	30.83	31.95
<b>Net Electricity consumed in units</b>	45798989	39354343
Net Electricity cost (Rs.)	399690408	332234928
Weighted Avg. Cost/ unit (Rs.)	8.73	8.44
<b>2. Fuel</b>		
<b>a) Coal</b>		
Quantity (Ton)	7190	6554
Total amount (Rs.)	58405384	73336400
Cost / unit (Rs. / Ton)	8123	11190
<b>b) Fire wood</b>		
Quantity (Ton)	9296	13157
Total amount (Rs.)	48702866	66498086
Cost / unit (Rs. / Ton)	5239	5054
<b>c) Compact Fuel Block</b>		
Quantity (Ton)	12	143
Total amount (Rs.)	65464	1004150
Cost / unit (Rs. / Ton)	5600	7000
<b>d) Diesel (Boiler alone)</b>		
Quantity (Ltr)	214625	207838
Total amount (Rs.)	20339340	19928243
Cost / unit (Rs. / Ltr)	94.77	95.88
<b>d) LPG (Boiler alone)</b>		
Quantity (Kg)	36795	36816

Particulars	2023-24	2022-23
Total amount (Rs.)	3528921	3894978
Cost / unit (Rs. / Kg)	95.91	105.79
Net Steam Fuel cost (Rs.)	131041976	164661857
Consolidated Power & Fuel cost (In million)	530.07	496.90

#### B. TECHNOLOGY ABSORPTION

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

Your Company is continuously improving the energy efficiency to reduce the energy consumption.

##### The benefits derived:

Innovative improvements made in the energy consumption helps to produce the product at economized cost.

##### Future plan of action:

Your Company is continuously focusing on feasibility studies to install Solar PV Rooftop plant at its various Factories.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Millions)

Particulars	2023-24	2022-23
Foreign Exchange earned through exports	8182.42	8261.86
Foreign Exchange used	204.42	223.76

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 : 10.08.2024

**Annexure-B**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. Brief outline on CSR Policy of the Company.**

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. CSR projects are subject to audit.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. P.Sundararajan	Chairman and Managing Director	2	2
2.	Mrs. S.Latha	Executive Director	2	2
3.	Mr. V.Sakthivel	Independent Director	2	2

**3. The Weblink where composition of CSR committee, CSR projects approved by the Board are disclosed on the website of the Company:**

The web-link where the Composition of the CSR Committee is disclosed on the website of the Company is [https://www.s-p-apparels.com/assets/img/docs/SCOPE-OF-COMMITTEES\\_3105.pdf](https://www.s-p-apparels.com/assets/img/docs/SCOPE-OF-COMMITTEES_3105.pdf)

The web-link where the CSR policy is disclosed on the website of the Company is <https://www.s-p-apparels.com/assets/img/docs/CSR%20Policy.pdf>

The web-link where the CSR projects approved by the board are disclosed on the website of the Company is <https://www.s-p-apparels.com/assets/img/docs/CSR%20Policy.pdf>

**4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable**

Not Applicable

**5. (a) Average net profit of the company as per section 135(5): Rs. 969.59 Million**

(b) Two Percent of average net profit of the Company as per section 135(5):Rs.19.39 Million

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

(d) Amount required to be set-off for the financial year, if any - 0.74

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] - Rs. 18.65 Million

6. (a) Amount spent on CSR Projects (both Ongoing Project and Other than Ongoing Project) - Rs.19.68 Million  
 (b) Amount spent in Administrative Overheads - Nil  
 (c) Amount spent on Impact Assessment, if applicable - Not applicable  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - Rs. 19.68 Million  
 (e) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year, (Rs. in million)	Total Amount transferred to unspent CSR Account as per Section 135 (6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5).		
	Amount.	Date of transfer	Name of the fund	Amount	Date of transfer
19.68	-	-	-	-	-

- f) Excess amount for set off:

Sl.No	Particular	Rs. in Million
i)	Two percent of average net profit of the company as per Section 135 (5)	19.39
ii)	Total amount spent for the Financial Year	19.68
iii)	Excess amount spent for the financial year [(ii-i)]	1.03
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	1.03

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Nil

Sl.No	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per Second proviso to sub-section (5) of Section 135, if any		Deficiency, if any
					Amount	Date of Transfer	
1	FY 1						
2	FY 2						
3	FY 3						
	Total						

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No.

If Yes, enter the number of Capital assets created / acquired - Not Applicable.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl.No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property of asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NOT APPLICABLE							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 - Not applicable.

**P. Sundararajan**  
Chairman of CSR Committee  
DIN : 00003380

**S. Latha**  
Member of CSR Committee  
DIN : 00003388

Place : Avinashi  
Date : 10.08.2024



**ANNEXURE - C**  
**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	S.P.Retail Ventures Limited	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	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	Not Applicable	GBP 1 GBP = Rs. 105.29
4	Share capital	1,000,000	38,000,000	15,746,800
5	Reserves & surplus	33,34,21,167	(10,01,88,070)	4,90,08,387
6	Total assets	1,11,15,60,000	2,81,53,982	65,83,22,339
7	Total Liabilities	77,71,38,833	9,03,42,052	59,35,67,152
8	Investments	NIL	NIL	NIL
9	Turnover	82,90,89,477	2,55,48,655	57,16,10,585
10	Profit before taxation	(146,780,102)	39,55,190	(37,715,981)
11	Provision for taxation	(41,145,392)	19,75,485	0
12	Profit after taxation	(105,634,710)	19,79,704	(37,715,981)
13	Proposed Dividend	NIL	NIL	NIL
14	% of shareholding	100%	70%	100%

**Notes:**

- Names of subsidiaries which are yet to commence operations - S.P. Apparels International (Private) Ltd
- Names of subsidiaries which have been liquidated or sold during the year - Nil

**Part “B”: Associates and Joint Ventures**

Not Applicable

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 : 10.08.2024

**ANNEXURE - D**  
**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

[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.

We 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). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 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.

We 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, 2024 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 and
  - f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

We 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 Act, Rules, Regulations and Standards etc., mentioned above except to the extent of the following:

1. *The disclosure of related party transactions for the half year ended 31st March 2023 in respect of the Audited financial results declared on 16th May 2023 was submitted by the listed entity on 17th May 2023, which is not within the time stipulated under Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.*
2. *The consolidated financial results published by the Company by way of advertisements in English and Regional language newspapers for the quarters ended 31st March 2023, 30th June 2023, 30th September 2023 and 31st December 2023 were not in compliance with Regulation 47(1)(b) and 47(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.*
3. *During the year under review, the Company had reported events or information which are material in nature, to the stock exchanges, beyond the time as prescribed under Regulation 30(6) read with Part A of Schedule III of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/ HO/ CFD/ CFD-PoD-1/ P/ CIR/ 2023/ 123 dated 13th July 2023*

We 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 (Buy back of Securities) Regulations, 2018;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- d. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

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

We 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.

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

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

**We 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.

We 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 all applicable laws, rules, regulations and guidelines.

We further report that during the period, there were no instances of:

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

For MDS & Associates LLP  
Company Secretaries

M.D.SELVARAJ  
Managing Partner

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

Place : Coimbatore

Peer Review No. 3030/2023

Date : 21.05.2024

UDIN: F000960F000386917

**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE**

To

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

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our 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.

**For MDS & Associates LLP  
Company Secretaries**

**M.D.SELVARAJ  
Managing Partner**

**Membership No.: FCS 960 C P No.: 411  
Peer Review No. 3030/2023  
UDIN: F000960F000386917**

Place : Coimbatore  
Date : 21.05.2024

**ANNEXURE - E**

**Particulars of Employees**

(Pursuant to 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 Executive Directors**

Name of the Director	Designation	% increase over previous year	Ratio of Remuneration to Median Remuneration
Mr.P.Sundararajan	Chairman and Managing Director	9.09%	216.36
Mrs.S.Latha	Executive Director	11.63%	173.08
Mr.S.Chenduran	Joint Managing Director	15.38%	135.22
Mrs.S.Shantha	Joint Managing Director	71.43%	10.82

**2. Remuneration paid to Non-Executive Directors**

The Independent 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 Officer - Garment Division	4.51 %
Mr.V.Balaji	Chief Financial Officer	10.00 %
Mrs.K.Vinodhini	Company Secretary	26.72 %

4. Percentage increase in the median remuneration of employees in the financial year : 2.71%

5. Number of Permanent employees on the roll of the Company at the end of the year: 12,462

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.

	31/03/2024
Average increase in remuneration of employees excluding KMP	8.91%
Average increase in remuneration of KMP	5.67 %

**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.

b) Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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 31.03.2024	QUALIFICATION AND EXPERIENCE	AGE	%OF SHARE HOLDING	REMUNERATION FOR THE PERIOD 2023-24 (Rs.in millions)	LAST EMPLOYED
1	SUNDARARAJAN.P	18-11-05	MANAGING DIRECTOR	B.Sc & 40 + years	68	49.97	24.00	Nil
2	LATHA.S	18-11-05	EXECUTIVE DIRECTOR	Higher Secondary & 35 + years	60	11.80	19.20	Nil
3	CHENDHURAN.S	30-03-15	JOINT MANAGING DIRECTOR	Msc & 5 + years	35	0.11	15.00	Nil
4	JEEVA.P.V	01-07-86	CHIEF EXECUTIVE OFFICER	D.T.P & 30 + years	57	-	6.46	Nil
5	BALAJI.V	06-05-11	CHIEF FINANCIAL OFFICER	B.Com., FCA & 30 + years	55	-	3.52	Nil
6	SHANMUGASUNDARAM. S	12-11-03	GM - OPERATION - 1	B.Tech; M.B.A. & 20 + years	49	-	3.04	VOLTAS LTD
7	PONNUSAMY.T.R	23-09-96	GM - MARKETING & MERCHANDISING	B.Com. & 20 + years	50	0.0005	3.01	SUNRISE KNITTING MILLS
8	NARAYANAN C.	11-07-18	GM - SPINNING	D.T.T & 20 + Years	59	-	2.95	RSWM LTD, HOSUR
9	KALEESBABU	10-06-96	GM - SYSTEMS	M.C.A & 25+ YEARS	52	-	2.94	GARAN MANUFACTURING CORP.
10	MANOHARAN RAJAN	18-03-22	GM - OPERATION - 2	B.A. & 20 + years	53	-	2.78	Nil

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

I.DETAILS		
1.	Corporate Identity Number (CIN) of the Listed Entity	L18101TZ2005PLC012295
2.	Name of the Listed Entity	S.P.Apparels Limited
3.	Year of incorporation	2005
4.	Registered office address	39 A Extension Street, Kaikattipudur, Avinashi, Tirupur 641654.
5.	Corporate address	39 A Extension Street, Kaikattipudur, Avinashi, Tirupur 641654.
6.	E-mail	csoffice@spapparels.com
7.	Telephone	04296-714000
8.	Website	www.spapparels.com
9.	Financial year for which reporting is being done	1st April, 2023 to 31st March, 2024
10.	Name of the Stock Exchange(s) where shares are listed	1.BSE Limited 2.National Stock Exchange of India Limited
11.	Paid-up Capital	25,09,26,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	K.Vinodhini, Company Secretary 39 A Extension Street, Kaikattipudur, Avinashi, Tirupur 641654. Tel.: 04296-714000 Email:csoffice@spapparels.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a Standalone basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

### II. PRODUCTS/SERVICES

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Garments	92

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Garments	18101	92

### III. OPERATIONS

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	17	1	18
International	-	-	-

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

### 19. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	-
International (No. of Countries)	4 (UNITED STATES, UNITED KINGDOM, IRELAND and EUROPE)

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute around 92 % of the total turnover of the entity

#### c. A brief on types of customers

The Company has a strong foothold and premium brand customers in UK & USA for our fine quality garments and dedicated customer service.

## IV. EMPLOYEES

### 20. Details as at the end of Financial Year 2023-2024:

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	934	736	78.80	198	21.20
2.	Other than Permanent (E)	833	476	57.14	357	42.86
3.	<b>Total employees (D + E)</b>	<b>1767</b>	<b>1212</b>	<b>68.59</b>	<b>555</b>	<b>31.41</b>
<b>WORKERS</b>						
4.	Permanent (F)	7475	1743	23.31	5732	76.69
5.	Other than Permanent (G)	4987	1409	28.25	3578	71.75
6.	<b>Total workers (F + G)</b>	<b>12462</b>	<b>3152</b>	<b>25.29</b>	<b>9310</b>	<b>74.71</b>

#### b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	34	15	44.11	19	55.89
5.	Other than permanent (G)	1	1	100	-	-
6.	<b>Total differently abled workers (F + G)</b>	<b>35</b>	<b>16</b>	<b>45.71</b>	<b>19</b>	<b>54.29</b>



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

### 21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	3	38
Key Management Personnel	3	2	66

### 22. Turnover rate for permanent employees and workers (in %):

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.22 %	2.02%	1.39%	4%	6%	10%	3 %	5 %	8 %
Permanent Workers	5.27%	5.42%	5.39%	10 %	12 %	22 %	8.80%	5%	13.8%

## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 23. (a) Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Crocodile Products Private Limited	Subsidiary	70	NO
2	S.P.Apparels (UK)(P) Limited	Subsidiary	100	
3	S.P. Retail Ventures Limited	Subsidiary	100	
4	S.P.Apparels International(Private) Limited	Subsidiary	100	

## VI. CSR DETAILS

### 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Millions): 9,483.20

(iii) Net worth (in millions): 7,943.37

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

### VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

#### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re- marks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No, the business of the Company is such that it does not affect the community. However, the HR & Factory head at the factories engage with the communities located in the vicinity on an ongoing basis	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	NA	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes. The Shareholders grievances are promptly redressed by RTA. The Company also equipped to handle the queries directly from the shareholders through its experienced personnels at secretarial department. Further the Investor can register the Compliant in SCORES Platform and Smart ODR provided by SEBI. The Company also constitutes Stake Holder relationship committee to address the grievances of the Shareholders periodically.	Nil	Nil	Nil	Nil	-	Nil

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes. The Company has in place a Grievance Redressal Mechanism; details whereof are available at <a href="https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2023/08/Grievance-Redressal-policy.pdf">https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2023/08/Grievance-Redressal-policy.pdf</a>	534	Nil	Nil	266	Nil	Nil
Customers		Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners		Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Not Applicable						

### 26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Opportunity	For our operations, major source of energy we consuming from renewable energy that minimizes carbon pollution by way of electrical energy from wind mills and solar energy, which is a non conventional energy source.		Positive. The energy saving measures result in consumption of economized power and fuel that would reduce the cost of production.  1. Controlling Emission 2. Carbon Emission

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

S. No.	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Water Use and Management	Opportunity	The Company follows Chemical free 2200 KLD of 100% Biological Oxidation process with ultra filtration and reverse osmosis separation process and multiple effect evaporator followed by agitator thin film drier for final reject management system.		Positive: 1.RO permeate recovered and reused in process house 2.MEE condensate recovered and reused in process house and boiler 3.Overall 99.1 % water recovered and reused as process water.
3	Health and Safety	Risk and Opportunity	The Company places very high importance on safety of its employees. By continuously focusing on behavioral, process, contractors, and transport safety. The Company is aiming for smooth operations. The basic objective is to make the working place safe for all its employees.	Health and Safety are deeply embedded in the operations and using digitalization and automation to enhance safety governance at all the levels.  Enabled systematic approach for monitoring all the third- party service providers of the company on stringent safety criteria.	Positive : Efficient work safety management and frequent refreshment program offered by the company enhances the productivity of the workers and employees  Negative : Improving the stress free work environment by instilling professionalism among the workman is a challenging task.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

S. No.	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Sourcing of Sustainable Raw material.	Opportunity & Risk	<p>As the World is marching towards sustainability, we have aligned our business model to enhance the spirit of Eco-friendly Consumption. The Company in view of the above morale, procuring its 90 % of organic Cotton such as Shankar 6, BCI from sustainable sources. Besides delivering high quality products to our valued customers we are procuring sustainable Raw materials which reduces environmental impact.</p> <p>Besides our effort for sustainable sourcing of cotton, the high price fluctuations and stiff price competition are the biggest challenges. The price fluctuations are attributed to drought, speculative trading &amp; global shortage of Raw materials.</p>	<p>The Company has a dedicated cotton procurement team which systematically &amp; Strategically monitor's the price and availability of High Quality cotton at competitive price.</p>	<p>The Company attracts reputative customers by delivering the high quality sustainable garments at fair price.</p> <p>However cotton being a single major cost of production, fluctuations of the Raw material price will directly impact the profit margin of the Company.</p>

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

P1	Businesses 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 marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses, 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

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="http://www.s-p-apparels.com/Policies-Info.html">http://www.s-p-apparels.com/Policies-Info.html</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015; OEKO-TEX STANDARD 100; SEDEX; DISNEY FAMA; HIGG; FSLM; ZDHC								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Though not set any such specific commitment goals, we continue to adhere all the guiding principles.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Though not set any such specific commitment goals, we continue to adhere all the guiding principles.								
<b>Governance, leadership and oversight</b>									

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	In an era where Environmental, Social and Governance (ESG) are shaping the future of the enterprise, SPAL has ESG principles into its core business strategy. SPAL understands the importance of giving back to the communities it serves. SPAL is actively contributing to the education, healthcare, and skill development through its social impact programs, and it adheres to the standards of corporate governance, transparency, accountability, and ethical conduct through the core of its operations.																			
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr.P.Sundararajan DIN: 00003380 Designation: Chairman and Managing Director Telephone: 04296714000 email: csoffice@spapparels.com																			
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Risk Management Committee. The Committee comprises of: - Mr.P.Sundararajan, Chairman & Managing Director - Mr.C.R.Rajagopal, Independent Director - Mr.Chenduran, Joint Managing Director. The Committee monitors and approves risk management and sustainability framework on a regular basis among others.																			
10. Details of Review of NGRBCs by the Company:																				
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency(Annually/ Half yearly/ Quarterly/ Any other - please specify)										
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9		
Performance against above policies and follow up action	All the policies of the company are approved and reviewed periodically by the board and committee on need basis.																			
Compliance with statutory requirements of relevance to the principles, and, rectification of any non- compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is placed before the Board of Directors on a quarterly basis.																			
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	No. However the Company evaluating the effectiveness of the polices through Internal Audit Mechanism.										
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9											

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

The entity does not consider the Principles material to its business (Yes/No)	Not applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
It is planned to be done in the next financial year (Yes/No)	
Any other reason (please specify)	

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

#### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

##### Essential Indicators:

1. Percentage coverage by training and awareness programmes on any or all the Principles in the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	4	1.Compliance with the applicable legislation, regulations and significant material development. 2.Increasing the effectiveness of Human resources. 3.Reviewing the Risk Management framework. 4.Ensruing the efficacy of Internal financial controls. 5.Reviweing and planning the sustainability initiatives.	100%
Key Managerial Personnel	4		



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	12	1.Fire and work Safety management. 2.Awareness programmes on sustainability. 3. Sports 4.Knowledge Sharing. 5.Workplace stress management.	98%
Workers	12	1. Fire and work Safety management. 2.Awareness programmes on stress management 3.Knowledge sharing	99%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

Non-Monetary				
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			Nil	

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Our Company have zero tolerance to bribery and corruption in any form by any party and we follow high standard of ethical conduct of not accepting or offering bribes or participate in corrupt practices.

The policy is available on the Company's website at - <https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2023/08/Anti-Bribery-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Case Details	FY 2023-2024 (Current Financial Year)	FY 2022- 2023 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2023-2024 (Current Financial Year)		FY 2022- 2023 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY23-24 (Current Financial Year)	FY22-23 (Previous Financial Year)
Number of days of accounts payables	65	54

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

Parameter	Metrics	FY23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	0.33 %	0.02 %
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100 %	100 %
	d. Investments (Investments in related parties / Total Investments made)	98 %	61 %

### Leadership Indicators:

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value) of business done with such partners) under the awareness programmes
4	1. Zero Tolerance awareness	100 %
	2.Higgs	50 %

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)  
If Yes, provide details of the same.

Yes, the Company has a code of conduct for the Board and Senior Management pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Further, the Board Members and KMPs confirms, at the beginning of every financial year and as and when there is any change in such interest, that there was no material, financial and commercial transactions with the Company, where they have interest that may have any potential conflict.

The Directors do not participate in agenda items at the Board/ Committee meetings in which they are interested or deemed to be interested.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

**PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators:**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the company, respectively.

	FY 2023-2024	FY 2022-2023	Details of improvements in environmental and social impacts
R&D	-	4.3	Replacement of PPR 3 Layer Pipes, Nylon Air Tube, Energy Efficient LED Lamps and Installed water economizer in firing chamber.
Capex	0.022	14.6	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes

2. b. If yes, what percentage of inputs were sourced sustainably?

As part of sustainable sourcing, about 98% of our annual cotton procurement is sourced sustainably from the vendors who is compliant with social and environment standards. Further other inputs is also procuring from such vendors.

3. Describe the processes in place to safely collect, reuse, recycle and dispose after sale and at the end of life for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- 100% of plastics waste including packing material are sold for recycling.
- E-waste are sold only to authorized vendors of TamilNadu Pollution Control Board
- Hazardous waste are sold to TNPCB authorized hazardous waste vendors.
- All the cutting wastes are segregated colour wise and sold for other reusage.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If Yes, Whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to the Company and the waste collection plan is in line with the Extended Producer Responsibility (EPR). The waste generated under various category is collected by the Authorized Recycle plant who is covered under the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards.

**Leadership Indicators:**

1. Has the entity conducted Life Cycle Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web link
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The Company has not conducted any life cycle assessment for the products till date. However, it is planning to carry out the LCA for products in the coming future.

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product/Service	Description of the risk/concern	Action Taken
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Accessories	30 %	28 %

4. Of the products and packaging collected at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Re-cycled	Safely Disposed	Re-Used	Re-cycled	Safely Disposed
Plastics (including packaging)	0	0	100	0	0	100
E-waste	0	0	100	0	0	100
Hazardous waste	0	0	100	0	0	100
Other waste	0	0	100	0	0	100

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

**PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains**

Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	736	736	100	736	100	-	-	-	-	736	100
Female	198	198	100	198	100	198	100	-	-	198	100
<b>Total</b>	<b>934</b>	<b>934</b>	<b>100</b>	<b>934</b>	<b>100</b>	<b>198</b>	<b>21.20</b>	-	-	<b>934</b>	<b>100</b>
<b>Other than Permanent employees</b>											
Male	476	476	100	476	100	-	-	-	-	476	100
Female	357	357	100	357	100	357	100	-	-	357	100
<b>Total</b>	<b>833</b>	<b>833</b>	<b>100</b>	<b>833</b>	<b>100</b>	<b>357</b>	<b>42.85</b>	-	-	<b>833</b>	<b>100</b>

b. Details of measures for the well-being of workers:

Category	% of workers# covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	1743	1743	100	1743	100	-	-	-	-	1743	100
Female	5732	5732	100	5732	100	5732	100	-	-	5732	100
<b>Total</b>	<b>7475</b>	<b>7475</b>	<b>100</b>	<b>7475</b>	<b>100</b>	<b>5732</b>	<b>76.68</b>	-	-	<b>7475</b>	<b>100</b>
<b>Other than Permanent workers</b>											
Male	1409	1409	100	1409	100	-	-	-	-	1409	100
Female	3578	3578	100	3578	100	3578	100	-	-	3578	100
<b>Total</b>	<b>4987</b>	<b>4987</b>	<b>100</b>	<b>4987</b>	<b>100</b>	<b>3578</b>	<b>71.75</b>	-	-	<b>4987</b>	<b>100</b>

1c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	3.29%	2.96%

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

### 2. Details of retirement benefits:

Benefits#	FY2023-24 (Current Financial year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	34.16	100.00	Yes	26.83	99.87	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	55.99	99.51	Yes	61.97	100	Yes
Others - please specify	-	-	-	-	-	-

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, operations and office premises are accessible to differently abled employees and workers as per Rights of Persons with Disabilities Act, 2016.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to being an equal opportunity employer and ensures an inclusive workplace for all its employees. The Company's anti-harassment and anti-discrimination policy highlights that the Company provides equal opportunity to all without discriminating on any grounds be of gender, age, sex, religion, cultural background, health or medical condition, physical ability, appearance, marital status, etc. The policy is uploaded on the Company's website at <https://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2023/08/Human-Rights-Policy.pdf>

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave (in %).

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	22.22 %	100
<b>Total</b>	-	-	22.22%	100

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Permanent Workers	Yes. The GRIC room opened on daily basis for half an hour duration to discuss concerns raised and tasks are assigned to team members for speedy redressal of grievances. The Company has given a toll free number to call and register their grievances directly at any time for effective remediation.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category#	FY 2023-2024 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
<b>Total Permanent Workers</b>	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-

### 8. Details of training given to employees and workers:

Category	FY 2023-2024 (Current Financial Year)					FY 2022-2023 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1212	1212	100	1212	100	855	855	100	855	100
Female	555	555	100	555	100	878	878	100	878	100
<b>Total</b>	<b>1767</b>	<b>1767</b>	<b>100</b>	<b>1767</b>	<b>100</b>	<b>1733</b>	<b>1733</b>	<b>100</b>	<b>1733</b>	<b>100</b>
<b>Workers</b>										
Male	3152	3152	100	3152	100	6605	6605	100	6605	100
Female	9310	9310	100	9310	100	5187	5187	100	5187	100
<b>Total</b>	<b>12462</b>	<b>12462</b>	<b>100</b>	<b>12462</b>	<b>100</b>	<b>11792</b>	<b>11792</b>	<b>100</b>	<b>11792</b>	<b>100</b>

### 9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-2024 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1212	1212	100	855	855	100
Female	555	555	100	878	878	100



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

<b>Total</b>	<b>1767</b>	<b>1767</b>	<b>100</b>	<b>1733</b>	<b>1733</b>	<b>100</b>
<b>Workers</b>						
Male	3152	3152	100	6605	6605	100
Female	9310	9310	100	5187	5187	100
<b>Total</b>	<b>12462</b>	<b>12462</b>	<b>100</b>	<b>11792</b>	<b>11792</b>	<b>100</b>

### 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?
  - Yes. The Company's Units have implemented occupational health and safety management systems covering all elements of Plan-Do-Check-Act (PDCA) cycle.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
  - Identifying Hazards - After assessing the workplace routinely, potential hazard will be identified.
  - Risk Assessment: Once the thread is identified then it would be assessed to measure the intensity of the risk.
  - Control Measures: Based on the assessment we implement the steps to control and manage the risk.
  - Documentation and Review: The threads identified and control measures taken were documented accordingly and the same will be subject to periodical review.
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)  
Yes
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)  
Yes, facilities have medical center, nurse team and health service providers for non-occupational needs.

### 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	5	20
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

### 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Health of the Employees and workers are paramount for the wellbeing of the Company. The Company is following various effective initiations with regard to the safe and healthy workplace. All the safety measures to be followed at the time

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

to emergency were directly demonstrated to the employees and workers along with their effective participation. A dedicated medical team and evacuation team is always ready to be deployed. SPAL always prioritize the organizational safety culture at any cost. Numerous initiatives have been undertaken to improve employee safety at the Units.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1	-	-	241	-	-
Health & Safety	85	-	-	25	-	-

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant Risky incidents were occurred.

### Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees - (Y) (B) Workers - (Y).

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes, we ensure that statutory dues have been deducted and deposited by the value chain partners.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, the Company is conducting programme for career development and skill upgradation to enrich the employees on their own.

5. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100 %
Working Conditions	100 %

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

We are monitoring the sustainable practices followed by our value chain partners.

### PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has internal framework to capture the internal and external stakeholders to have an insight of their needs and expectations. And devised suitable plan to cater their needs.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channel of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) other	Frequency of Engagement (Annual / Half Yearly / Quarterly / Others - Please specify)	Purpose and Scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>- Personal and Group Meetings</li> <li>- Skill development</li> <li>- Training</li> <li>- Internal Communications</li> </ul>	Frequently	To improve productivity and standard of Work and for refreshments from work stress.
Vendors/ contractors	No	<ul style="list-style-type: none"> <li>- Review meetings</li> </ul>	As required	To discuss about the management of Supply chain issues and quality of the product.
Regulatory bodies and government agency	No	<ul style="list-style-type: none"> <li>- Regulatory Filings</li> <li>- Facility Inspections</li> <li>- One on One meetings</li> </ul>	As required	Good governance practice; regulatory compliance
Customers	No	<ul style="list-style-type: none"> <li>- Company website</li> <li>- Advertisement</li> <li>- Surveys</li> </ul>	As required	To discuss about the issues faced by the Customers and to redress it immediately
Shareholders	No	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Website</li> <li>- Investor Presentation</li> <li>- Annual Report</li> <li>One on One meeting</li> </ul>	Quarterly/ Annually	Discussion about the performance of the Company.
Community	Yes	<ul style="list-style-type: none"> <li>- Community visits and meetings</li> <li>- CSR Activities</li> </ul>	As required	Empowering the Vulnerable People by providing Food and education and actively contributing towards the wellbeing of the Community.

Leadership Indicators:

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Consultation with the stakeholders and the Board on economic, environmental, and social topics has been delegated to the respective departments who are in close contact with the identified stakeholders on continuous basis.

The Board and relevant Committees are briefed about the interactions with the stakeholders and action implemented.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Stakeholders form an integral part of the Company's business. Consultations are in the form of Meetings and other mode of digital communications.

Based on the Consultation with the stakeholders the Company will frame the mechanism to effectively address the grievances. The Company focuses meeting with customers to improve the quality of its products and to cater the needs of the market. It follows a bottom-up approach for all social projects. All projects are planned in consultation with the community. The process involves interacting with them and understanding their challenges and issues.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

The CSR projects of the Company aim to focus on a social transformation in the life of its disadvantaged, vulnerable and marginalised stakeholders. The Company ensures that the CSR funds are utilised in an optimum manner that uplifts the weaker sections of the society.

The Company works towards overall development of the way of life of the communities around its Units, most of which are in distant rural areas.

For more information, please refer the Corporate Social Responsibility (CSR) Section of this Annual Report.

### PRINCIPLE 5 - Businesses should respect and promote human rights

#### Essential Indicators:

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employee / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	934	934	100	855	855	100
Other than permanent	833	833	100	878	878	100
<b>Total Employees</b>	<b>1767</b>	<b>1767</b>	<b>100</b>	<b>1733</b>	<b>1733</b>	<b>100</b>
<b>Workers</b>						

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employee / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Permanent	7475	7475	100	6605	6605	100
Other permanent	4987	4987	100	5187	5187	100
<b>Total Workers</b>	<b>12462</b>	<b>12462</b>	<b>100</b>	<b>11792</b>	<b>11792</b>	<b>100</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent										
Male	736	-	-	736	100	686	-	-	686	100
Female	198	-	-	198	100	169	-	-	169	100
Other than permanent										
Male	476	-	-	476	100	510	-	-	510	100
Female	357	-	-	357	100	368	-	-	368	100
<b>Workers</b>										
Permanent										
Male	1743	-	-	1743	100	1626	-	-	1626	100
Female	5732	-	-	5732	100	4979	-	-	4979	100
Other than permanent										
Male	1409	-	-	1409	100	1430	-	-	1430	100
Female	3578	-	-	3578	100	3757	-	-	3757	100

3. Details of remuneration/salary/wages# in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary wages of respective category
Board of Directors (BoD)*	5	6,25,000	3	3,50,000
Key Managerial Personnel (KMP)**	1	2,82,900	2	3,45,550
Employees other than BoD and KMP	1192	22,510	541	13,860
Workers	2112	10,379	8776	8,788

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

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	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	73.54 %	88.20 %

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

- GRIC has been constituted by the Management. Senior officials at various levels are the members of this committee.
- We have established a Grievance redressal Committee which periodically reviews the employees concerns
- We have installed suggestion box in prominent work places which is taken care by concerned department and timely remedial measures is given
- Toll free numbers are displayed everywhere in workplace, which enables the employees to reach out in case of need
- We have also set up a Works committee
- Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial year	FY 2022-23 Previous Financial year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/ workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

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- Shop Floor Committee meeting
- General Grievance Redressal (GGR)
- Critical Grievance Redressal (CGR)
- Random Grievance Redressal (RGR)

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% of our plants are inspected regularly by respective statutory authorities
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No any such adverse incidents took place.

### Leadership Indicators:

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.  
Not applicable as no such modifications has been introduced in the current reporting year.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company's Human rights policy recognizes the following priority issues:

1. Our factories Head Office, Neelambur, Avinashi, Samichettipalayam, Perundurai, NAP, Patlur, Sathy & Annur factories are SMETA & Sathy Factory is FSLM Complied, where by we were duly audited and certified by the concerned authorities.
2. We are zero tolerant to the child, forced or compulsory labour in operations and supply chains,
3. We provide equal opportunity for all employees and also Providing opportunities for all employees to express concerns and seek redressal.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, operations and office premises are accessible to differently abled employees and workers.

4. Details on assessment of value chain partners:



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	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No such incidents took place for corrective actions.

### PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial Year)
From Renewable sources		
Total electricity consumption (A) (TJ)	138.03	115.73
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)		
Total energy consumed from Renewable resources(A+B+C)	138.03	115.73
From non-renewable sources		
Total Electricity consumption (TJ) (D)	25.27	23.98
Total Fuel Consumption (E)	5.52	6.770
Energy Consumption through other sources(F)	259.27	286.85
Total energy consumed from non-renewable resources(D+E+F)	290.06	317.60
Total energy consumed (A+B+C+D+E+F)	428.09	433.33
Energy intensity per rupee (Total energy consumption/revenue per operations)	0.04514 TJ / INR MILLION	0.0459 TJ / INR MILLION
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and

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Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes. Our SIPCOT - PD unit are under CCTS sector(Carbon Credit Trading Scheme) in which all the conservation measures will calculated as reduction in total CO 2 emission. The reports are submitted to Bureau of Energy Efficiency. We are conducting Mandatory energy audit at our PD Unit by NIN energy India Pvt Ltd

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022 - 2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	381063.24	352300
(iii) Third-party water	106348.95	90698
(iv) Seawater / desalinated water	0	0
(v) Others (rainwater)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	487412.18	442998
Total volume of water consumption(in kilolitres)	487412.18	442998
Water intensity per rupee of turnover (Water consumed in litres / Revenue from Operations)	51.39	47.00
Water intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP)	-	-
Water intensity in terms of Physical output	-	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N)  
If yes, name of the external agency

No independent assessment/evaluation/assurance has been carried out by any external agencies.

4. Provide the following details related to water discharged:

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022 - 2023 (Previous Financial Year)
Water Discharge by destination and level of treatment (in kilolitres)		
i) To Surface water	-	-
- No Treatment	-	-
-With Treatment - Specify level of treatment	-	-
ii) To Groundwater	-	-
- No Treatment	-	-
-With Treatment - Specify level of treatment	-	-
iii) To Seawater	-	-

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Parameter	FY 2023-2024 (Current Financial Year)	FY 2022 - 2023 (Previous Financial Year)
- No Treatment	-	-
-With Treatment - Specify level of treatment	-	-
iv) Sent to third Party	-	-
- No Treatment	-	-
-With Treatment - Specify level of treatment	-	-
v) Others	-	-
- No Treatment	-	-
-With Treatment - Specify level of treatment	-	-
Total Water discharged (in kilolitres)	-	-

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, The Processing division of the Company where the effluent level is high are compliant with Zero Liquid Discharge. The Company follows Chemical free 2200 KLD of 100% Biological Oxidation process with ultra filtration and reverse osmosis separation process and multiple effect evaporator followed by agitator thin film drier for final reject management system. Overall 99.1 % water recovered and reused as process water.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	mg/Nm3	210.97	245.31
SOx	mg/Nm3	87.33	50.32
Particulate matter (PM)	mg/Nm3	228.38	166
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others - please specify	NA	NA	NA

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N)  
If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agencies.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	8712.69	8263.37
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	5698.25	6527

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Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and 2 GHG emissions/Revenue from operations)		1.51	1.56
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agencies.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is committed to reduce its carbon footprint and to achieve the target of carbon neutrality by 2030, the Company has taken major initiatives such as installation of solar roof top in the factories. It also adopted processes such as replacing traditional fuel with alternative fuel, improving energy efficiency and using industrial waste as raw material.

9. Provide details related to waste management by the entity in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	13.35	10.55
E-waste (B)	4.97	2.71
Bio-medical waste (C)	0.7	-
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	NA	NA
Other hazardous waste. Please specify, if any Polythene waste, spent oil (G)	80.53	72.32
Other non-hazardous waste generated (H) Please specify, if any. Metal Waste, Carton Box, Paper Waste, Food waste (Break-up by composition i.e. by materials relevant to the sector)	472.85	245.45
Total (A+B + C + D + E + F + G + H)	571.14	331.03

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Parameter	FY 2023-24 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.060	0.035
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of Physical output	-	-
Waste intensity (optional) - the relevant metric may be selected by the entity	-	-

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	All the cutting wastes are segregated by colour wise and sent to the recycling unit.	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations (Co-processed)		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	NIL	
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/evaluation/assurance has been carried out by any external agencies.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The management of waste generated is being undertaken as detailed below:

- The Company has a waste management system which segregates hazardous and non-hazardous waste, recycling, treatment and disposal.
- Wet waste is stabilized by composting
- Hazardous waste generated viz. lube oil, grease and oily cotton, is managed through authorized recyclers
- The Company follows Zero Discharge of Hazardous Chemicals which enables to reduce the Hazardous Chemicals discharge in the water.

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11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable since EIA not attracted for our Industry categorization.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
S.P.Apparels Limited adheres to all applicable environmental laws and regulations and no case of non-compliance was registered during the reporting period.				

### Leadership Indicators:

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area Not Applicable

(ii) Nature of operations Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format: Not Applicable

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source(in kilolitres)		
(i) Surface water	Not Applicable	Not Applicable
(ii) Groundwater	Not Applicable	Not Applicable
(iii) Third-party water	Not Applicable	Not Applicable
(iv) Seawater / desalinated water	Not Applicable	Not Applicable
(v) Others (rainwater)	Not Applicable	Not Applicable
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	Not Applicable	Not Applicable
Total volume of water consumption(in kilolitres)	Not Applicable	Not Applicable

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Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water intensity per rupee of turnover (Water consumed in litres / turnover)	Not Applicable	Not Applicable
Water intensity (optional) - the relevant metric may be selected by the entity	Not Applicable	Not Applicable
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment - please specify level of treatment	Not Applicable	Not Applicable
(ii) To Groundwater	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment - please specify level of treatment	Not Applicable	Not Applicable
(iii) To Seawater	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment - please specify level of treatment	Not Applicable	Not Applicable
(iv) Sent to third-parties	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment - please specify level of treatment	Not Applicable	Not Applicable
(v) Others	Not Applicable	Not Applicable
-No treatment	Not Applicable	Not Applicable
-With treatment - please specify level of treatment	Not Applicable	Not Applicable
Total water discharged (in kilolitres)	Not Applicable	Not Applicable

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agencies.

2. Please provide details of total Scope 3 emissions & its intensity in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	tCO2 eq/ Lakh	-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity		-	-

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Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agencies.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	STP & ETP	Recycling of treated process effluent from ETP through followed by Ultra Filtration (UF) & Reverse Osmosis.	Water Conservation
2	Water Management	Reduction of raw water consumption in canteen and gardening through process improvements.	Optimum utilization of raw water
3	Waste Management	Fabric, E-Waste, Packing material and plastic are sold for recycling.	Reduction in Green House Gases and Conversion of Energy.
4	Renewable energy	The Company sourcing the electrical energy from non conventional energy sources which is windmills & roof top solar panels, contributes 82 % of its total power consumption.	Reduction of Carbon Emission.
5	Energy Conservation	<ul style="list-style-type: none"> <li>i. Replacement of existing GI air lines with PPR 3 layer pipes.</li> <li>ii. Replacement of PU air tubes in dyeing machines with nylon air tubes to minimise leakage.</li> <li>iii. Replacement Of Conventional Flourescent lamp to Energy Efficient LED Lamps.</li> <li>iv. 15 L KCAL TFH firing chamber modification, adding water economizer in flue gas path to increase boiler feed water temperature.</li> </ul>	<ul style="list-style-type: none"> <li>i. Reduction of Electrical consumption by 15 MW per annum.</li> <li>ii. Reduction of Electrical consumption by 1.8 MW per annum.</li> <li>iii.Reduces 4.8 MW electrical consumption per annum.</li> <li>iv. The Company has saved 55 tons of coal consumption per annum by modifying Furnace chamber with the feed water boiler.</li> </ul>



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5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a business continuity and robust disaster management plan thoroughly implemented at each Unit. Mock Drills are conducted frequently to educate employees and workers of the Company to act in vigilant manner at the time of emergency and they were trained to combat fire, to save and rescue people inside the factories. Further health and safety protocols and adequate communication protocols during extreme weather events ensure safety at sites and minimise the impact on workforce. Insurance coverage is in place to protect against damages to business assets or loss of materials in warehouses or transit due to extreme weather events.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NIL.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

NIL

**PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators:**

1. a. Number of affiliations with trade and industry chambers/ associations. 2

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Tamilnadu Spinning Mill Association	State
2	Tirupur Exporters Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**Leadership Indicators:**

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes / No)	Frequency of review by Board (Annually / Half yearly / Quarterly / Others)Please specify	Web Link, if available
There is no public policy advocated by the Company.					

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### PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

#### Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
None of the projects undertaken by the Company in FY 2023-24 required Social Impact Assessments (SIA).					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

As a part of the CSR Policy, the Company has a dedicated team to proactively meets the community representatives and marginal stakeholders. Each need is noted, evaluated and a feasible solution is implemented.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Directly sourced from MSMEs/ small producers	63.00%	42.00 %
Sourced directly from within the district and neighbouring districts	28.00 %	50.00 %

5. Job Creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Rural	100 %	100 %
Semi-Urban	-	-
Urban	-	-
Metropolitan	-	-

(Place to be categorized as per RBI classification System - rural/semi-urban/urban/metropolitan)

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### Leadership Indicators:

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S No.	State	Aspirational District	Amount spent (in INR)
-	-	-	-

Not Applicable as no CSR projects were undertaken in designated aspirational districts as identified by government bodies

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not Applicable

5. Details of beneficiaries of CSR Projects:

S. No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Promoting Education	The beneficiaries are General Public	100%
2.	Promoting Health Care	The beneficiaries are General Public	
3.	Relief and Rehabilitation	The beneficiaries are General Public	
4.	Enhancement of Vocational Skills	The beneficiaries are General Public	

### PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
  - The Company is a Customer Centric organisation designed to enrich customers' experience. There's an effective complaint handling procedure that facilitates prompt logging, investigation, resolution, and closure.
  - Customers can register complaints through dealers, Company team. Upon receipt of the customer complaint, the technical personnel attend and address the complaint within 24 hours. all the complaints are monitored on monthly basis.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100 % (For Garments Sold)
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY23-24 (Current Financial Year)		Remarks	FY22-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NIL
Forced recalls	NIL	NIL

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The same is available on the Company's website at <http://www.s-p-apparels.com/wp/wp-content/uploads/bsk-pdf-manager/2022/08/Risk-Management-Policy-Revised-2022.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No corrective actions during the year.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - Nil
- Percentage of data breached involving personally identifiable information of customers - Nil
- Impact, if any, of the data breaches - Nil

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD..)

### Leadership Indicators:

1.	Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).	The information on company's products can be accessed through company's website i.e., <a href="http://www.spapparels.com">www.spapparels.com</a>
2.	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	Our product tag contains the information on the safe and responsible usage of the products such as Wash care instructions, product features, Customer care details etc. We mention these instructions on all of our apparel products.
3.	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.	Not Applicable.
4.	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.	The Company only discloses the product information what is mandated under the Various Act.
	Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	No, the Company has not carried out any survey with regard to consumer satisfaction.

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### 1. 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 SP Apparels Limited, we are committed to practice 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.

### 2. BOARD OF DIRECTORS -

#### a. Composition, Category and Attendance of Directors:

The Company's Board of Directors comprises of Eight Directors. It has an appropriate combination of Executive and Non-Executive Directors ("NEDs"), to ensure independent functioning. The Board presently comprises of 8 Directors including one Chairman and Managing Director, two Joint Managing Directors, one Whole-time Director and all others are Independent Directors including a Woman Director. The Board's actions and decisions are aligned with the Company's best interests.

The Board has met Six times during the financial year on 16.05.2023, 11.08.2023, 02.09.2023, 07.11.2023, 09.12.2023 and 12.02.2024. The details of attendance of each Director at Board Meetings, last Annual General Meeting ("AGM") and their Directorship in other Indian Companies and membership in the Committees thereof are given below:

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	6	Yes	1	-	-
Mrs.S.Latha DIN: 00003388	Executive Director. Promoter	6	Yes	2	-	-
Mr.S.Chenduran* DIN: 03173269	Joint Managing Director. Promoter	6	Yes	2	-	-
Mrs.S.Shantha* DIN: 00088941	Joint Managing Director. Promoter	6	Yes	1	-	-
Mr.V.Sakthivel DIN: 00005720	Non-Executive Independent	6	Yes	-	-	-
Mr.A.S.Anand Kumar DIN: 00058292	Non-Executive Independent	5	No	-	-	-
Mr.C.R.Rajagopal DIN: 08853688	Non-Executive Independent	5	No	1	-	-
Mrs.H.Lakshmi Priya DIN: 08858643	Non-Executive Independent	4	Yes	-	-	-

# Excludes directorships in Private Companies, Foreign Companies, Section 8 Companies & Govt. Companies.

\$ Only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 serve as the Chairman / Chairperson of more than 5 committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. None of the Directors holds any directorship in other listed entities.

### c. Directors Inter-Se relationship:

Mr.P.Sundararajan, Chairman and Managing Director is the spouse of Mrs.S.Latha, Executive Director and father of Mr.S.Chenduran & Mrs.S.Shantha, Joint Managing Directors of the Company. None of the other directors are related to any other director on the Board.

### d. Number of Shares and Convertible Instruments held by Non- Executive Directors:

None of the Non-Executive Directors holds any Equity Shares as on 31st March 2024. Further, the Company has not issued any type of Convertible instruments to Non-Executive Directors.

### e. Familiarisation Programmes imparted to Independent Directors:

All independent directors inducted into the board shall attend an orientation program. The details of the familiarization programmes have been hosted on the website of the Company and can be viewed at <https://www.s-p-apparels.com/assets/img/docs/Familiarisation-Training-Orientation-Programmes-2024.pdf> 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.

### f. 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 Board Members are regularly updated on changes in Corporate and Allied Laws, Taxation Laws & matters thereto. In the quarterly Board Meetings, the Managing Director and Senior Management have conducted a session for the Board Members sharing updates about the Company's business strategy, operations and the key trends in the textile industry. These updates help the Board Members to keep themselves abreast with the key changes and their impact on the Company.

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
Leadership	Leadership / Directorship experience resulting in effective participation in or spearheading various initiatives taken up by the Company. Ability to envision, develop talent, long-term planning and to champion & drive necessary changes.
Board service, Legal and Governance	Has experience in managing Board Services and Governance resulting in better understanding of the governance process undertaken by the organisation and helps to protect the Stakeholders' interest at large. Has experience in Legal processes and is adept at interpreting laws / regulations applicable to the Company to enhance the Governance and protect its interest.

## CORPORATE GOVERNANCE REPORT (CONTD.)

Core Skill/Expertise/Competencies	DESCRIPTION
Business Strategy	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
Technology and Innovation	Ability to develop long term plans to sustain and support the Business, anticipating future business models / changes in an innovative way. Experience in understanding technology, its purpose and its suitability for the Company.
Financial	Experience in supervising the principal financial officer or person having similar nature of function. Having the ability to read and understand the Financial Statements. Management of financial function of the organisation resulting in proficiency in financial management / reporting / processes.
Sales and Marketing	Experience in driving / heading sales and marketing, resulting in better management of sales, increase of organisation reputation and building of brand reputation.
Human Resources	Experience in people management including but not limited to talent management, dispute resolution, inter-personnel relations, liaison with external stakeholders.
Industry Knowledge	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.

Name of the Directors/Skills	Leadership	Board Service Legal and Governance	Business Strategy	Technology & Innovation	Financial	Sales and Marketing	Human Resources	Industry knowledge
Mr.P.Sundararajan	✓	✓	✓	✓	✓	✓	✓	✓
Mrs.S.Latha	✓	✓	✓	✓	✓	✓	✓	✓
Mr.S.Chenduran	✓	✓	✓	✓	✓	✓	✓	✓
Mrs.S.Shantha	✓	✓	✓	✓	✓	✓	✓	✓
Mr.V.Sakthivel	✓	✓	✓	✓	✓	✓	✓	✓
Mr.A.S.Anand Kumar	✓	✓	✓	✓	✓	✓	✓	✓
Mr.C.R.Rajagopal	✓	✓	✓	✓	✓	✓	✓	✓
Mrs.H.Lakshmi Priya	✓	✓	✓	✓	✓	✓	✓	✓

g. 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 Listing Regulation and the Companies Act, 2013 and are independent of the management.

As per the requirements of the Companies Act, 2013, all Independent Directors of the Company have applied online to the Indian Institute of Corporate Affairs for inclusion of their name in the Independent Directors Databank and obtained registration thereof as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

h. Resignation of Independent Directors before expiry of tenure:

During the year under review, none of the Independent Directors have resigned before the expiry of the tenure.



## CORPORATE GOVERNANCE REPORT (CONTD.)

### i. Separate meeting of the Independent Directors:

During the year, the meeting of Independent Directors was held on 12.02.2024 without the attendance of Non-Independent Directors and members of Management pursuant to Schedule IV of the Companies Act, 2013. 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) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee, 4) Risk Management Committee, 5) Corporate Social Responsibility Committee, 6) Borrowing and Bank Operations Committee, 7) Acquisition Committee and 8) Investment Committee.

### 3. AUDIT COMMITTEE:

#### i. Brief description of terms of reference:

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 Listing Regulation. The Committee presently comprises of three members being non-executive Independent Directors of the Company including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc., The quorum for an audit committee meeting is a minimum two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act, 2013 and Listing Regulation. The terms of reference of this Committee are as required by SEBI under Regulation 18 read with part C of Schedule II of the Listing Regulation. Besides having access to all the required information within the Company, the Committee 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 16.05.2023, 11.08.2023, 07.11.2023 and 12.02.2024.

ii. The Composition of the Audit Committee and the attendance details of Members are as follows:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr.V.Sakthivel - Chairman	Non-Executive Independent Director	4	4
Mr.C.R.Rajagopal - Member	Non-Executive Independent Director	4	4
Mr.A.S.Anand kumar - Member	Non-Executive Independent Director	4	4

The Chairman of the Audit Committee attended the Annual General Meeting held on 22nd September 2023.

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Statutory Auditors, Internal Auditor and Chief Financial Officer of the Company have also attended the committee meetings as invitees. 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 2023-24, before it was placed in the Board.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

i. Brief description of terms of reference:

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 Listing Regulation 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 Listing Regulation and also with the requirement of Section 178 of the Companies Act, 2013

The Committee met two times in the year on 11.08.2023 and 12.02.2024.

ii. The Composition of the Nomination and Remuneration Committee and the attendance of each member of the Committee are as follows:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr.C.R.Rajagopal - Chairman	Non-Executive Independent Director	2	2
Mr.V.Sakthivel - Member	Non-Executive Independent Director	2	2
Mrs.H.Lakshmi Priya - Member	Non-Executive Independent Director	2	2

The Chairman of Nomination and Remuneration Committee attended the Annual General Meeting held on 22nd September 2023.

The Company Secretary of the Company acts as the Secretary of the Committee.

This Committee would look into and determine the Company's policy on remuneration packages of the Executive directors and Senior Management.

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

The remuneration policy of the Company can be accessed on the Company's website at <https://www.s-p-apparels.com/assets/img/docs/SPL-NOMINATION-AND-REMUNERATION-POLICY.pdf>

Non-Executive Independent Directors of the Company do not have any pecuniary relationship or transaction with the Company. They do not draw any remuneration, except sitting fees for attending meetings of Board / Committee.

### iii. Performance Evaluation of Non-Executive and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 37(10) of the Listing Regulation and based on the guidance note issued by Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD/ CIR/P/2017/004 dated January 5, 2017, 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 Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholder Relationship Committee. 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.

### 5. 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 Listing Regulation.

During the year under review, the Committee met 4 times on 10.04.2023, 07.07.2023, 09.10.2023 and 08.01.2024. The Composition of the Stakeholders Relationship 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.C.R.Rajagopal - Chairman	Non-Executive Independent Director	4	4
Mrs.S.Latha - Member	Executive Director - Promoter	4	4
Mr. S.Chenduran - Member	Joint Managing Director - Promoter	4	4

The Chairman of Stakeholders Relationship Committee attended the Annual General Meeting held on 22nd September 2023.

Mrs. K Vinodhini, Company Secretary of the Company is the Secretary of the Committee.

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-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

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

As required by the Listing Regulations, Company's website [www.spapparels.com](http://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.

Pursuant to Regulation 40(9) of Listing Regulations, a certificate confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

During the year under review, there were no investor complaints which were pending/received/resolved. Hence, no Complaint is remaining unresolved/ pending as on 31st March 2024

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 6. RISK MANAGEMENT COMMITTEE:

#### i. Brief description of terms of reference:

The Committees composition is in compliance with the provisions of Regulation 21 of Listing Regulation. 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 and the same is disseminated in the website of the Company.

During the year under review, the Committee met two times on 14.08.2023 and 08.01.2024.

The Composition of the Risk Management Committee and the attendance of each member are given below:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. P.Sundararajan - Chairman	Chairman & Managing Director - Promoter	2	2
Mr.C.R.Rajagopal - Member	Non-Executive Independent Director	2	2
Mr. S.Chenduran - Member	Joint Managing Director - Promoter	2	2

### 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The terms of reference of this Committee, assigned by the Board encompasses:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII
- To recommend the amount of expenditure to be incurred on the activities referred to in clause A
- To monitor the CSR policy of the Company from time to time
- Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India

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; 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 at <https://www.s-p-apparels.com/assets/img/docs/CSR%20Policy.pdf>

During the year under review, the Committee has met two times on 17.05.2023 and 11.08.2023.

The composition of the Corporate Social Responsibility Committee and the details of the attendance of Members are as follows

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 8. SENIOR MANAGEMENT

The particulars of senior management including the changes therein since the close of the previous financial year are as follows:

Name of Senior Management Personnel	Designation	Date of Appointment	Date of Cessation, if any
Mrs. P. V. Jeeva	Chief Executive Officer - Garment Division	01.07.1986	-
Mr. V Balaji	Chief Financial Officer	06.05.2011	-
Mrs. K Vinodhini	Company Secretary	16.12.2015	-

### 9. REMUNERATION OF DIRECTORS:

The remuneration of Executive Directors is governed by resolution which has been approved by the Board of Directors and the shareholders of the Company. The remuneration broadly comprises fixed and variable components. The Executive Directors are not entitled to sitting fees for attending meetings of the Board and Committees.

- During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for attending meetings of the Company.
- The criteria of making payments to Non - Executive Directors and the criteria to evaluate the performance of Non-Executive Directors and Independent Directors of the Company are disseminated on the Company's website at <https://www.s-p-apparels.com/assets/img/docs/Criteria-for-making-payment.pdf>
- The Company has not granted any stock options to its Board members.
- The remuneration paid to the directors of the Company is within the limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations
- Details of the remuneration paid to the Executive and Non-Executive Directors of the Company for the financial year ended 31st March 2024 are as follows:

(Rs. in Million)

Name of the Directors	Salary	Perquisites	Commission	Sitting Fees	Total
Mr. P Sundararajan Chairman & Managing Director	12.00	-	12.00	-	24.00
Mrs S Latha Executive Director	7.20	-	12.00	-	19.20
Mr.S.Chenduran Joint Managing Director	3.00	-	12.00	-	15.00
Mrs.S.Shantha Joint Managing Director	1.20	-	-	-	1.20
Mr.V.Sakthivel, Non-Executive Independent Director	-	-	-	0.40	0.40
Mr.A.S.Anandkumar, Non-Executive Independent Director	-	-	-	0.36	0.36
Mr.C.R.Rajagopal, Non-Executive Independent Director	-	-	-	0.36	0.36
Mrs.H.Lakshmi Priya, Non-Executive Independent Director	-	-	-	0.16	0.16

## CORPORATE GOVERNANCE REPORT (CONTD.)

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. No benefits, other than the above are given to the Directors. No performance linked incentive, severance fee, bonus, pension and/or stock option is given to the Directors. No service contracts were entered into with the Directors and their appointment is governed by the respective resolutions passed at the General Meeting of the Company in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except as stated above, none of the Directors have any pecuniary relationship with the Company.

### 10. GENERAL BODY MEETINGS:

#### a. Annual General Meeting:

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
2022-2023	22/09/2023	4.00 pm	Video Conferencing (VC) / Other Audio Visual Means (OAVM).	<ol style="list-style-type: none"> <li>1. Payment of remuneration to Mr.P.Sundararajan (DIN: 00003380) Chairman and Managing Director of the Company for the period from 21st November 2023 till the remaining period of his present term i.e. till 20th November 2025</li> <li>2. Payment of remuneration to Mrs. S. Latha (DIN: 00003388) Executive Director of the Company for the period from 16th August 2024 till the remaining period of her present term i.e. till 15th August 2026.</li> </ol>
2021 - 2022	19/09/2022	4.00 pm	Video Conferencing(VC) / Other Audio Visual Means (OAVM).	<ol style="list-style-type: none"> <li>1. Appointment of Mrs.S.Shantha (DIN: 00088941) as Joint Managing Director of the Company for a period of 3 (Three) years with effect from 11th August, 2022.</li> <li>2. Appointment of Mr.S.Chenduran (DIN: 03173269) as Joint Managing Director of the Company for a period of 3 (Three) years with effect from 11th August,2022.</li> <li>3. Alteration of Article 13 of Articles of Association of the Company</li> </ol>
2020 - 2021	13/09/2021	4.00 pm	Video Conferencing(VC) / Other Audio Visual Means (OAVM).	<ol style="list-style-type: none"> <li>1. To sell, transfer, lease, slump sale the whole of the undertakings of Retail Division</li> </ol>

## CORPORATE GOVERNANCE REPORT (CONTD.)

### b. Extraordinary General Meeting

No extraordinary general meeting of the members was held during the financial year 2023 - 2024.

### c. Postal Ballot and E-Voting

No postal ballot was conducted during the financial year 2023-2024.

### d. Postal Ballot proposed to be conducted

During the Financial Year 2023-2024, the Company has not transacted any business through Postal Ballot process.

Further, as on date of this report, the Company do not foresee the need for conducting postal ballot to pass any resolution in the current financial year, However, if required, the same shall be conducted in compliance with the procedure stipulated under Section 110 and other applicable provisions, if any, of the Companies Act, 2013 and its relevant Rules made thereunder, the Listing Regulations and any other applicable laws in this regard.

## 11. 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 - Vernacular Language).
2. The Financial Results are also accessible on the Company’s website <https://www.s-p-apparels.com/wp/financial-information/> The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the board.
3. The Company does not display any official news releases in the website of the Company.
4. 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 - <https://www.s-p-apparels.com/wp/financial-information/>

## 12. GENERAL SHAREHODLER INFORMATION

### a. 19th Annual General Meeting:

- i. Date and Time: Thursday 26th September 2024 at 4.00 PM
- ii. Venue: The 19th Annual General Meeting (AGM) is being convened through Video Conferencing (VC) / Other Audio Visual Means (OAVM), and hence, the deemed venue for the AGM shall be the Registered Office of the Company.

### b. Financial Year : 01.04.2023 to 31.03.2024

Date of book closure: Friday, 20th September, 2024 to Thursday, 26th September, 2024

### c. Dividend payment date: NA

### d. Name and Addresses of Stock Exchange(s) where Company’s shares are listed:

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

BSE Limited - Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

National Stock Exchange of India Ltd - 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 2023-2024 have been paid in full.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### e. Scrip Code & ISIN:

Type of security	BSE Limited ("BSE") Scrip Code	National Stock Exchange of India Limited ("NSE") Scrip Code	ISIN
Equity	540048	SPAL	INE212I01016

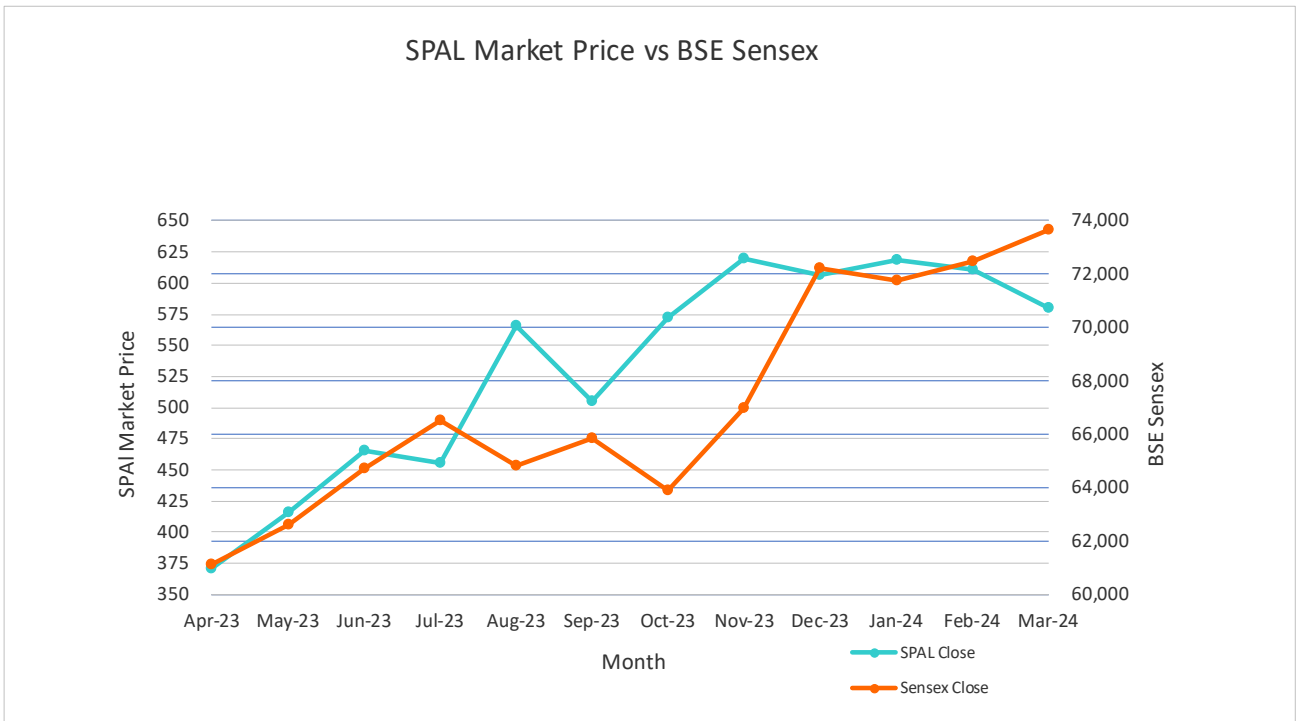
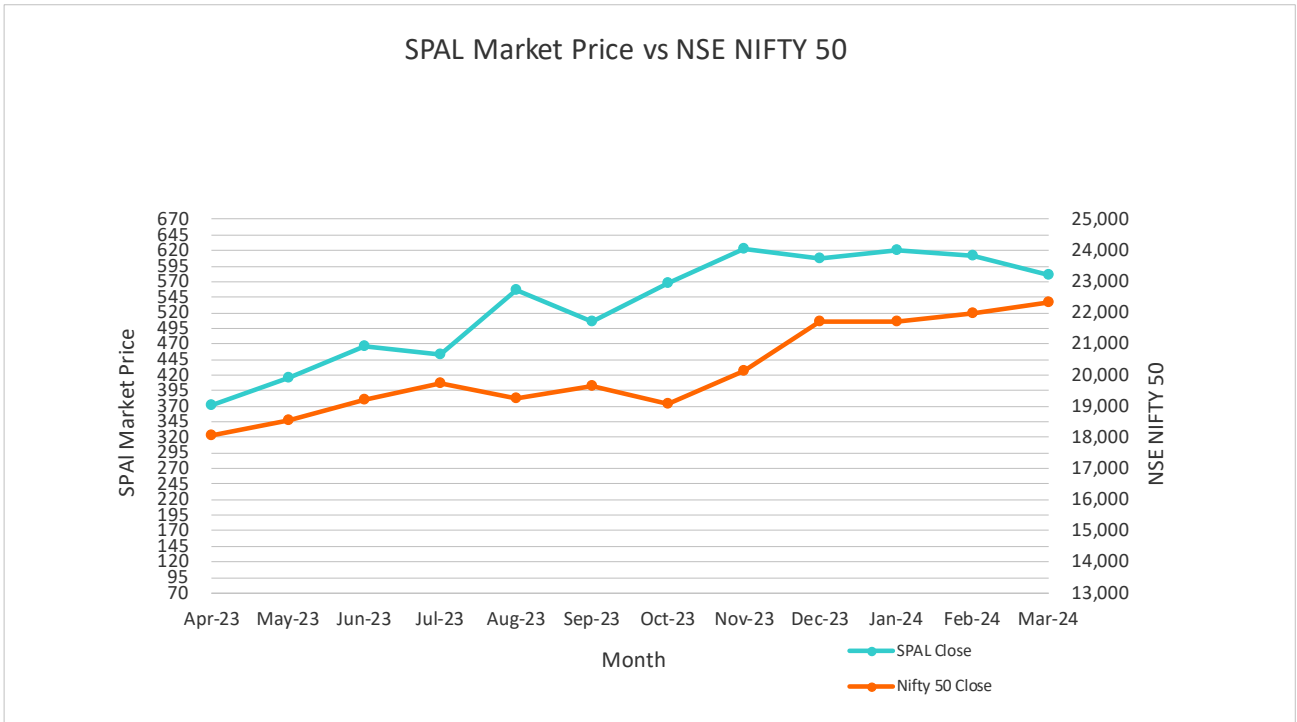
### f. Market Price Data

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 2023-24 are given below

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	TOTAL TRADED QUANTITY	HIGH (Rs.)	LOW (Rs.)	TOTAL TRADED QUANTITY
April, 2023	387.20	323.00	36293	388.00	320.65	468000
May, 2023	420.00	362.00	175675	420.00	359.60	672000
June, 2023	480.05	405.60	198426	480.00	403.60	1130000
July, 2023	505.20	428.95	83736	507.85	432.05	884000
August, 2023	615.05	429.00	172139	615.00	430.25	2421000
September, 2023	592.25	480.10	52252	595.00	493.30	706000
October, 2023	671.40	487.35	112890	674.85	485.05	1818000
November, 2023	664.95	551.40	80217	667.85	548.25	1042000
December, 2023	684.90	591.05	184458	662.50	589.00	867000
January, 2024	633.90	580.00	76971	636.35	579.90	757000
February, 2024	709.55	461.60	88542	662.45	522.20	1841000
March, 2024	650.45	515.70	57901	650.00	515.75	1021000



## CORPORATE GOVERNANCE REPORT (CONTD.)



Company's Share Price performance in comparison with BSE Sensex & NSE Nifty:

MONTH	SP APPARELS LTD - BSE (Share Price - Close)	S&P BSE SENSEX (Close)	SP APPARELS LTD - NSE (Share Price - Close)	NIFTY50 INDEX OF NSE (Close)
April, 2023	370.55	61,112.44	371.70	18,065.00
May, 2023	415.85	62,622.24	416.35	18,534.40
June, 2023	465.00	64,718.56	465.35	19,189.05
July, 2023	455.80	66,527.67	453.80	19,753.80
August, 2023	556.10	64,831.41	556.60	19,253.80
September, 2023	505.40	65,828.41	505.85	19,638.30
October, 2023	572.60	63,874.93	567.90	19,079.60
November, 2023	619.60	66,988.44	622.15	20,133.15
December, 2023	606.30	72,240.26	606.90	21,731.40
January, 2024	619.00	71,752.11	620.45	21,725.70
February, 2024	610.95	72,500.30	611.30	21,982.80
March, 2024	580.50	73,651.35	580.50	22,326.90

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

i. Registrar and Share Transfer Agent:

M/s.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, Kaikattipudur,  
Avinashi - 641654.  
Phone : 04296 - 714000  
Email id: csoffice@spapparels.com

Reconciliation of Share Capital Audit

A qualified Company Secretary in Practice has carried out the 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.

j. Share Transfer System:

SEBI has vide circular dated 25th January 2022, prescribed procedures for processing the service requests of shareholders like transmission, issue of duplicate shares, and for conversion of the physical holding into dematerialised form through issue of Letter of Confirmation upon completion of the service request. The shares mentioned in the Letter of Confirmation issued by the Company/RTA is to be dematerialised within 120 days from the date of the Letter of Confirmation. In case of non-dematerialisation within the prescribed period as aforesaid, such shares are to be transferred to an Unclaimed Demat Suspense Escrow Account. The Company has opened a demat account in the name of "S.P. Apparels Limited Unclaimed Securities Suspense Escrow Account" in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/20223/64923 dated December 30, 2022. No share has been credited to that account during the financial year under review. There are no legal proceedings / disputes on share transfer against the Company and also there are no shares in lock in.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### k. Distribution of Shareholding:

Share holdings	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Equity Capital
1 - 500	14590	93.72	1042338	4.13
501 - 1000	680	4.26	496139	1.97
1001 - 2000	357	2.23	516421	2.05
2001 - 3000	102	0.63	253212	1.00
3001 - 4000	50	0.31	253212	1.00
4001 - 5000	36	0.22	164786	0.65
5001 - 10000	64	0.40	432092	1.72
10001 & Above	69	0.83	22446822	8.43
<b>Total</b>	<b>15948</b>	<b>100.00</b>	<b>2592600</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March 2024

Category	Number of Shares Held	% of Holding
Promoter & Promoter Group	15539291	61.92
Relatives of Promoter	21004	0.08
Mutual Fund	4359531	17.37
Alternate Investment Fund	376000	1.49
Foreign Portfolio Investor Category I	367978	1.46
Foreign Portfolio Investor Category III	15274	0.06
Individuals	3360741	13.38
Hindu Undivided Family	137302	0.54
Foreign Companies	345212	1.37
NRI	193987	0.77
Clearing Member	639	0.002
Bodies Corporate	328201	1.30
Trusts	2042	0.008
Limited Liability Partnership	45398	0.18
<b>Total</b>	<b>25092600</b>	<b>100.00</b>

### l. Dematerialization of shares and liquidity:

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 2023-24 have been paid by the Company.

As on 31st March 2024, 2,50,92,600 Equity Shares constituting 100% of the paid-up Equity Share Capital of the Company has been dematerialised. The promoters of the Company have completely dematerialized their shareholdings.

### m. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

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

### n. Foreign exchange risk and hedging activities: NIL

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 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, manufacturing of garments
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	No 1/477-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, printing and embroidery units
6	S.F.Nos.647/1C, 647/2, and 378-D, Samichettyalayam, Gudalur Village, Gudalur Panchayath, Coimbatore Taluk, Coimbatore District	Manufacturing of garments
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	SF.No.694/3,4 (A, B and C Block) Varapatti, Sulthanpet Main Road, Sulthanpet Post, Sulur taluk, Coimbatore District	Manufacturing of garments
11	Plot No.18, Eettiveerampalayam Village, Avinashi, Tirupur District	Manufacturing of garments
12	Attur Main Road, Valappady, Salem	Spinning unit
13	2/286, Idaisevel II Village, Chatirapatti Mall, Kovilpatti Tk, Tuticorin,	Manufacturing of garments
14	S. F. No. 849/1 & 2, 856/1, Kuppanur Village, Annur Taluk	Manufacturing of garments
15	S. F. No. 578/1A, Pattalur Village, Bhavani Taluk, Erode District	Manufacturing of garments
16	Shed No. 14, Netaji Apparel Park, NH Road, New Tirupur	Manufacturing of garments
17	Unit II, Cuddalore Main Road, Kalapaganur, Pethanaickenpalayam, Attur Tk, Salem.	Knitting Unit

#### p. Address for correspondence:

All Shareholders correspondence shall be addressed to:

The Company Secretary

S.P.Apparels Limited

39-A, Extension Street, Kaikattipudur,

Avinashi - 641654.

Phone : 04296 - 714000

CIN: L18101TZ2005PLC012295

Email id: csoffice@spapparels.com

#### q. Credit Rating:

The Company has obtained rating from ICRA during the year ended 31st March, 2024.

Rating Agency	Rating	Outlook
ICRA Limited	Long term: {ICRA} AA-	Stable
	Short term: {ICRA} A1+	Stable

### 10. OTHER DISCLOSURES:

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 Listing Regulation. 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.

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 <https://www.s-p-apparels.com/assets/img/docs/RPT-Policy.pdf>

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

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

The Board of Directors of the Company did not comprise of a Women Independent Director during the period from April 01, 2020 to September 01, 2020 as required under Regulation 17(1)(a) of the Listing Regulation and in this regard the Company had paid a fine of Rs.9,08,600/- to the National Stock Exchange of India Limited on 20th April 2021.

The disclosure of related party transactions for the half year ended 31st March 2022 in respect of the Audited financial results declared on 20th May 2022 was submitted by the listed entity on 15th June 2022, which is not within the time stipulated under Regulation 23(9) of Listing Regulation and in this regard the Company has paid a fine of Rs.70,800/- to the BSE Limited and National Stock Exchange of India Limited on 28th July 2022 & 29th July 2022 respectively.

Other than above, no Penalties and/or strictures were imposed on the Company by SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

c. Details of establishment of vigil mechanism/ whistle blower policy, and affirmation that no personnel has 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 behaviour, 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 provides 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/ Whistle Blower policy has been disclosed on the Company's website [https://www.s-p-apparels.com/assets/img/docs/Vigil-Mechanism-Policy\\_Revised.pdf](https://www.s-p-apparels.com/assets/img/docs/Vigil-Mechanism-Policy_Revised.pdf). 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 of Corporate Governance norms as laid down under the provision of Listing Regulation.

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 Listing Regulation. The Company has not adopted any other non-mandatory requirements.

e. web link where policy for determining 'material' subsidiaries is disclosed

The Company has formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website at <https://www.s-p-apparels.com/assets/img/docs/POLICY-FOR-DETERMINATION-OF-MATERIALITY-OF-INFORMATION-OR-EVENTS-14.11.2016.pdf>

f. web link where policy on dealing with related party transactions

The policy on dealing with related party transactions can be accessed on the Company's website at <https://www.s-p-apparels.com/assets/img/docs/RPT-Policy.pdf>

g. Disclosure of commodity price risks and commodity hedging activities.

During the financial year ended 31.03.2024, the Company did not engage in commodity hedging activities.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the financial year ended 31st March 2024, the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulation.

i. 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 Board/Ministry of Corporate Affairs or any such statutory authority has been obtained from MDS & Associates LLP, Company Secretaries in Practice and annexed to Annual Report.

j. During the year under review, the recommendations made by the different committees of Board of Directors have been accepted. Hence, there were no instances where the Board have not accepted such recommendation of the committees.

k. The Company has paid a sum of Rs.21,00,000/- as fees on consolidated basis to the Statutory Auditors and all entities in the network firm / entity of which the Statutory Auditors is a part for the services rendered by them

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

i. Number of complaints filed during the financial year - NIL

ii. Number of complaints disposed of during the financial year - NIL

iii. Number of complaints pending as on end of the financial year - NIL

m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount - Refer 3.16 of notes annexed to and forming part of the Standalone Financial Statements.

n. The Company does not have any material subsidiaries, accordingly, the disclosure requirements in relation to the date and place of incorporation and the name and date of appointment of statutory auditors of such subsidiaries does not arise.

11. All the requirements of corporate governance report of sub paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 have been duly complied with.

12. None of the discretionary requirements as specified in Part E of Schedule II have been adopted.

## CORPORATE GOVERNANCE REPORT (CONTD.)

13. The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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.

### MANAGEMENT DISCUSSION AND ANALYSIS

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

### CERTIFICATE FROM CEO AND CFO:

The Managing Director and CFO certification of the Financial Statements for the year has been submitted to the Board of Directors in its meeting held on 21.05.2024, as required under Listing Obligation.

### CERTIFICATE ON CORPORATE GOVERNANCE

As required by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate from the M/s. MDS & Associates LLP, Practicing Company Secretaries, Coimbatore regarding compliance of conditions of Corporate Governance forms part of this Report.

### 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.

### 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 Listing Regulation has been received from Directors and Senior Management Personnel affirming their compliance with the code of conduct for the year under review.

### DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSEACCOUNT

Pursuant to Regulation 39(4) read with Schedule VI of Listing Regulation, the Company does not have any unclaimed shares. Hence, opening of unclaimed suspense account is not applicable.

The Company has opened Suspense Escrow Demat Account in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022.

### DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES - Not Applicable

By order of the Board  
For S.P. Apparels Limited  
P. Sundararajan  
Chairman and Managing Director  
DIN : 00003380

## CORPORATE GOVERNANCE REPORT (CONTD.)

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### DECLARATION

I, P.Sundararajan, Chairman and Managing Director of S.P. Apparels Limited, hereby declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2024 affirm compliance with the said code of conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**By order of the Board**  
**For S.P. Apparels Limited**  
**P. Sundararajan**  
Chairman and Managing Director  
DIN : 00003380

Place : Avinashi  
Date : 10.08.2024



## MD/CFO CERTIFICATION

## CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31/03/2024

### 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 2024 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 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
- That there is no significant change in internal control over financial reporting during the year.
  - There is no significant changes in the accounting policies during the year.
  - 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)

Place : Avinashi  
Date : 21.05.2024

**V.Balaji**  
Chief Financial Officer

To

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

Dear Sir(s),

We 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, 2024 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our 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 our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the Directors and Management, we 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, 2024.

We 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.

For MDS & Associates LLP  
Company Secretaries

**M D SELVARAJ**

Managing Partner

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

Peer Review No. 3030/2023

UDIN: F000960F000946410

Place : Coimbatore

Date : 10.08.2024

## 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

We 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 us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2024 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. Sundararajan Perumal Mudaliar (Chairman and Managing Director)	00003380	18/11/2005
2	Mrs. Sundararajan Latha (Wholetime Director)	00003388	18/11/2005
3	Mr.Sundararajan Chenduran (Joint Managing Director)	03173269	30/03/2015
4	Mr. Venkidusamy Sakthivel	00005720	30/01/2006
5	Mr. Aravinda Sundara Anand Kumar	00058292	13/11/2015
6	Mr. Chathamur Raman Rajagopal	08853688	02/09/2020
7	Mrs.Harihara Sharma Lakshmi Priya	08858643	02/09/2020
8	Mrs. Sundararajan Shantha (Joint Managing Director)	00088941	11/08/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

For MDS & Associates LLP

Company Secretaries

M D SELVARAJ

Managing Partner

Place : Coimbatore

Date : 10.08.2024

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

Peer Review No. 3030/2023

UDIN: F000960F000946377

# INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

To the Members of S.P.Apparels Limited

Report on the Audit of the Standalone Ind AS Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of S.P.Apparels Limited (the "Company"), which comprise the standalone balance sheet as at March 31, 2024, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed 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 state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 together with the ethical 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

## INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Sr No	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition</b></p> <p>The Company's revenue is derived primarily from sale of goods (Exports of Garments). Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations as per the terms agreed with the customer by the Company.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policies of the company with relevant accounting standards.</li> <li>Evaluated the design, implementation and tested the operating effectiveness of the internal controls in relation to timing of revenue recognition.</li> <li>We performed detailed transaction testing by selecting samples of revenue transactions recorded during the year and around the year end date.</li> <li>We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, evidence of delivery, FCR's (customer acceptances), shipping documents and subsequent receipts.</li> </ul>
2.	<p><b>Inventories</b></p> <p>The total value of inventory as of March 31, 2024, amounted to INR 2,147.59 Million. representing 20% of the total assets.</p> <p>We considered this as a Key Audit Matter considering the significance of the balance, and the valuation involved.</p>	<ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policies of the company with relevant accounting standards.</li> <li>Evaluated the design, implementation and tested the operating effectiveness of the Key internal controls over the valuation of inventories being considered by the management.</li> <li>Observed the physical verification of inventories on a sample basis across locations.</li> <li>Verified the valuation of Raw materials, WIP and Finished Goods on sample basis and ensured the valuations/assumptions are reasonable and in line with the accounting policies/generally accepted accounting principles.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance Report, that would be included in the Annual Report 2023-24, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the additional information, as mentioned above, that would be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe appropriate actions as applicable under the relevant laws and regulations.

## INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### Responsibilities of Management and Those Charged with Governance for 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, including other 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and the Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 the management and Board of Directors 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

## INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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 misstatement in the 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 misstatement 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 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", 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, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an

## INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

(g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion, according to the information and explanation give to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act, and

(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, 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 as at March 31, 2024 on its standalone financial statements - Refer Note No. 3.11 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or

otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

**D K Giridharan**

Partner

Membership No: 028738

UDIN: 24028738BKCEZ9354

Place : Chennai

Date : May 21, 2024

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

### Annexure- A referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date

(i)(a)(A) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i)(a)(B) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars of intangible assets.

(i)(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed during such verification.

(i)(c) According to information and explanations given to us and audit procedures performed by us, the title deeds of all of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone financial statements are held in the name of the Company.

(i)(d) According to information and explanations given to us and audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(i)(e) According to information and explanations given to us and audit procedures performed by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. According to information and explanations given to us

and audit procedures performed by us, no discrepancies were noticed on verification between the physical stocks and book records that were more than 10% in the aggregate of each class of inventory.

(ii)(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. According to information and explanations given to us and on the basis of our examination of the records of the Company, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii)(a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has, during the year, granted unsecured loan and stood guarantee for 1 subsidiary Company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loan and guarantee to subsidiary are as per the table given below:

	Guarantees (INR in Mn)	Loans (INR in Mn)
Aggregate amount granted/ provided during the year		
- Subsidiary - S.P. Retail Ventures Limited	50	170
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiary - S.P. Retail Ventures Limited	50	170

(iii)(b) According to the information and explanations given to us and audit procedures performed by us, we are of the opinion that the investments made and the guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.

(iii)(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans given by the Company, the repayment of principal and payment of interest has been stipulated except for one loan to a subsidiary



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

amounting to INR 170 Mn which is repayable on demand and receipts of interest have been regular except in case of one subsidiary - S.P.Apparels UK Limited, where the Interest amount of INR 1.86 Mn is overdue. Further, the Company has not given any advance in the nature of loan to any party during the year.

(iii)(d) According to the information and explanations given to us and audit procedures performed by us, there is no overdue amounts for more than ninety days in respect of the loans given by the Company. Further, the Company has not given any advance in the nature of loan to any party during the year.

(iii)(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security as specified under Sections 185 and 186 of the Act. In respect of Investments made, loans given, and guarantee provided by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of its manufactured goods and/ or services provided by it and are of the opinion, that prima facie, the specified 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) The Company does not have liability in respect of service tax, Duty of excise, Sales tax and Value added

tax during the year since effective 1 July 2017, these statutory dues have been subsumed unto Goods and Services Tax.

According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, value added tax, cess and other material statutory dues applicable to it.

According to the information provided and explanations given to us and based on our examination of the records of the Company, there are no undisputed amount payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other material statutory dues, existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.

(vii)(b) According to the information provided and explanations given to us, there are no statutory dues relating to Goods and Services Tax, provident fund, income-tax, sales-tax, service tax, duty of customs, value added tax, cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. Details of Employees' state insurance has been given below;

Name of the Statute	Nature of the Dues	Amount (INR in Mn)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Employee State Insurance Act, 1948	Payment of Employee State Insurance	10.37 (including interest of 3.97)	October 1, 2016 to January 31, 2021	Labour Court, Coimbatore	Deposited INR 1.6 Mn (25% of Amount demanded)

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

- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.
- (ix)(a) According to the information and explanations given to us and audit procedures performed by us, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to the lenders during the year.
- (ix)(b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) According to the information and explanations given to us and audit procedures performed by us, term loans were applied for the purposes for which they were obtained.
- (ix)(d) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix)(e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013.
- (ix)(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. The Company does not hold any investment in any associate or joint venture as defined under the Companies Act, 2013 during the year.
- (x)(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable. The Company does not hold any investment in any associate or joint venture as defined under the Companies Act, 2013 during the year.
- (x)(b) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)(a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report under section 143(12) of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order are not applicable to the Company.
- (xi)(c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.
- (xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

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

- (xiv)(a) According to the information and explanations given to us and audit procedures performed by us, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (xvi)(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
- (xvi)(c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, , our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the information and explanation as made available to us by the management of the Company up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the Company's annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

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

**D K Giridharan**  
Partner  
Membership No: 028738  
UDIN: 24028738BKCXEZ9354

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Standalone financial statements of S.P. Apparels Limited (the "Company") as of March 31, 2024 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 with reference to Standalone Financial Statements 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 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 Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements 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 ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to standalone financial statements 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 with reference to Standalone Financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 with reference to Standalone Financial Statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place : Chennai

Date : May 21, 2024

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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: 24028738BKCXEZ9354

## BALANCE SHEET

As at March 31, 2024

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

Particulars	“Note No” D	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1 Non Current Assets</b>			
a. Property, Plant and Equipment	1.1	4,081.33	4,094.08
b. Capital Work-In-Progress	1.1	187.47	98.67
c. Right of Use Assets	1.1	251.74	291.61
d. Intangible Assets	1.1	3.36	-
e. Intangible Assets under development	1.1	-	3.36
		<b>4,523.90</b>	<b>4,487.72</b>
f. Financial Assets			
-Investments	1.2	632.36	1,024.64
-Loans and Advances	1.3	222.33	48.93
-Other Financial Assets	1.4	445.04	220.37
f. Other non-current assets	1.5	185.13	10.13
<b>Total Non Current Assets</b>		<b>6,008.76</b>	<b>5,791.79</b>
<b>2 Current Assets</b>			
a. Inventories	1.6	2,147.59	2,370.23
b. Financial Assets			
- Investments	1.7	502.78	726.24
- Trade Receivables	1.8	841.12	423.19
- Cash and Cash Equivalents	1.9 A	596.71	470.82
- Bank Balances other than (1.9A) above	1.9 B	4.55	42.24
- Other Financial Assets	1.10	12.84	-
c. Other current assets	1.11	347.71	219.36
<b>Total Current Assets</b>		<b>4,453.30</b>	<b>4,252.08</b>
<b>Total Assets</b>		<b>10,462.06</b>	<b>10,043.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share capital	1.12	250.93	250.93
b. Other Equity	1.13	7,539.11	6,499.74
<b>Total Equity</b>		<b>7,790.04</b>	<b>6,750.67</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a. Financial Liabilities			
- Borrowings	1.14	-	54.57
- Lease Liabilities	1.15	255.73	284.64
- Other Financial liabilities	1.16	59.93	87.29
b. Deferred tax liabilities (net)	1.17	383.06	340.82
<b>Total Non Current Liabilities</b>		<b>698.72</b>	<b>767.32</b>

## BALANCE SHEET (CONTD..)

As at March 31, 2024

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

Particulars	“Note No” D	As at March 31, 2024	As at March 31, 2023
<b>2 Current liabilities</b>			
a. Financial Liabilities			
- Borrowings	1.18	1,024.16	1,560.95
- Lease Liabilities	1.19	-	0.29
- Trade payables	1.20		
(A) total outstanding dues of micro enterprises and small enterprises		82.17	130.82
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		529.83	430.15
- Other Financial liabilities	1.21	198.67	286.54
b. Other current liabilities	1.22	51.52	45.35
c. Provisions	1.23	86.95	71.78
		<b>1,973.30</b>	<b>2,525.88</b>
<b>Total Equity and Liabilities</b>		<b>10,462.06</b>	<b>10,043.87</b>

Material accounting policies and notes to the standalone financial statements (Refer notes C and D)

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

For and on behalf of the Board of Directors

As per our report of event date attached

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

**D K Giridharan**  
Partner, Membership No. : 028738

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2024

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

Particulars	“Note No” D	For the year ended March 31, 2024	For the year ended March 31, 2023
<b><u>CONTINUING OPERATIONS</u></b>			
1 Revenue from operations	2.1	9,483.20	9,424.96
2 Other Income	2.2	156.64	198.24
<b>3 Total Income(1+2)</b>		<b>9,639.84</b>	<b>9,623.20</b>
<b>4 EXPENSES</b>			
Cost of materials and services consumed	2.3	3,227.91	3,568.09
Purchases of Stock-in-Trade - Traded goods	2.4	9.69	17.43
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.5	207.71	212.54
		<b>3,445.31</b>	<b>3,798.06</b>
Employee benefits expense	2.6	2,420.87	2,236.56
Finance costs	2.7	131.14	156.16
Depreciation and amortisation expense	2.8	350.61	337.51
Other expenses	2.9	1,934.97	1,872.16
<b>Total Expenses</b>		<b>8,282.90</b>	<b>8,400.45</b>
<b>5 Net profit/(Loss) for the year before tax (3-4)</b>		<b>1,356.94</b>	<b>1,222.75</b>
<b>6 Tax Expense:</b>			
a. Current tax expense		309.78	302.37
b. Short / (Excess) provision for earlier year’s tax		(6.80)	(2.62)
c. Deferred tax		16.34	4.87
<b>Total Tax Expenses</b>		<b>319.32</b>	<b>304.62</b>
<b>7 Net profit/(Loss) for the year after tax from continuing operation (5-6)</b>		<b>1,037.62</b>	<b>918.13</b>
<b><u>DISCONTINUED OPERATIONS</u></b>			
<b>8 OTHER COMPREHENSIVE INCOME</b>			
<b>A. (i) Items that will not be reclassified to Profit or Loss</b>			
Remeasurement of Defined Benefit Plans		6.17	22.63
(ii)Income tax relating to items that will not be reclassified to Profit or Loss		(1.55)	(5.69)
<b>B (i) Items that will be reclassified to Profit or Loss</b>			
The effective portion of gains and loss on hedging instruments in a cash flow hedge - Translation difference		96.70	(110.86)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(24.34)	27.90
<b>Total Other Comprehensive Income</b>		<b>76.98</b>	<b>(66.02)</b>



## STATEMENT OF PROFIT AND LOSS (CONTD..)

For the year ended March 31, 2024

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

Particulars	“Note No” D	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>9 TOTAL COMPREHENSIVE INCOME (7+8)</b>		1,114.60	852.11
Earnings per equity share (Net profit/ (loss) for the year after tax / weighted average number of equity shares)			
Earnings Per Share (Rs.) - Basic and Diluted [Net Profit/(loss) for the period after tax/Weighted average number of equity shares]	3.3	41.35	36.02

Material accounting policies and notes to the standalone financial statements (Refer notes C and D)

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

For and on behalf of the Board of Directors

As per our report of event date at-  
tached

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

**D K Giridharan**  
Partner, Membership No. : 028738

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## CASH FLOW STATEMENT

For the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,356.94	1,222.75
<i>Adjustments for:</i>		
Depreciation and amortization expense	350.61	337.51
(Profit) /loss on Sale of property, plant and equipment	3.02	4.89
(Profit) /loss on Sale of investments	(104.51)	(6.67)
Interest receivable on investment	(14.12)	-
Bad Debts written off	8.32	2.00
Amortisation of Lease prepayments	(10.17)	(8.23)
Liability written back	-	(0.85)
Other Adjustments/ Release of deferred income	(27.36)	(29.74)
Finance costs	106.11	119.16
Interest income	(24.91)	(7.62)
Dividend income	(0.58)	(0.30)
Unrealised exchange (gain)/loss	(21.51)	13.32
Provision for MTM (gain)/loss on forward contracts	(26.63)	97.41
<b>Operating profits before working capital changes</b>	<b>1,595.21</b>	<b>1,743.63</b>
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	222.64	588.71
Trade receivables	(421.61)	189.00
Loans and advances/Current assets	(149.70)	163.10
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables/Other current liabilities/Provisions	65.96	(147.05)
<b>Cash Generated from Operations</b>	<b>1,312.50</b>	<b>2,537.39</b>
Net income tax (paid) / refunds	(334.95)	(267.61)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>977.55</b>	<b>2,269.78</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment, including capital advances	(523.80)	(468.83)
Proceeds from sale of property, plant and equipment	6.68	2.57
Loans to subsidiary	(170.00)	-
Advance towards acquisition of a company's business	(150.78)	-
Proceeds from hive off of retail division	-	535.00
Bank deposits not considered as cash equivalents	37.68	26.92
Investment in a subsidiary	-	(540.00)
Purchase of investments - Others	(960.00)	(1,428.57)

## CASH FLOW STATEMENT (CONTD.)

For the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Proceeds from sale of investments - Others	1,693.29	306.67
Dividend received - Others	0.58	0.30
Interest received - Bank deposits	24.91	7.62
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(41.44)</b>	<b>(1,558.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(repayment) of long term borrowings	(121.83)	(411.01)
Repayment of finance lease liabilities	(53.95)	(54.03)
Net Increase/(decrease) of working capital borrowings	(453.10)	255.25
Payment towards Buy back of shares (including expenses)	0.05	(402.69)
Dividend Paid	(75.28)	-
Finance costs	(106.11)	(119.16)
<b>Net cash flow from / (used in) financing activities</b>	<b>(810.22)</b>	<b>(731.64)</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>125.89</b>	<b>(20.18)</b>
Cash and cash equivalents at the beginning of the year	470.82	490.97
Effect of exchange differences on restatement of foreign currency Cash and Cash Equivalents	(0.00)	0.03
<b>Cash and Cash Equivalents at the end of the year</b>	<b>596.71</b>	<b>470.82</b>
<b>Cash and Cash Equivalents at the end of the year comprises of</b>		
(a) Cash on hand	43.87	79.72
(b) Balances with banks		
in current account	452.83	91.09
in deposit account	100.00	300.00
in EEFC account	0.01	0.01
	596.71	470.82

Material accounting policies and notes to the standalone financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Standalone Statement of Cash Flows

For and on behalf of the Board of Directors

As per our report of event date attached

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

**D K Giridharan**  
Partner, Membership No. : 028738

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2024 (All amounts are in Indian ₹ Millions except share data and as stated)

### A. Equity Share Capital

Balance as at April 1, 2022	Change in Equity Share Capital during the year	Balance as at March 31, 2023	Change in Equity Share Capital during the year	Balance as at March 31, 2024
256.93	(6.00)	250.3	-	250.93

### B. Other Equity

	Reserves and surplus			Other Components of Equity			Total
	Securities Premium	Capital Redemption Reserve	Retained earnings	Addition- al Paid in Equity	Defined Benefit Plan	Effective portion of cash flow hedges	
<b>2022-23</b>							
Opening balance as at April 1, 2022 - (A)	2,519.94	200.00	3,398.31	90.36	(118.83)	(45.46)	6,044.32
Profit for the year			918.13				918.13
Other comprehensive income					16.94	(82.96)	(66.02)
<b>Total comprehensive income for the year 2022-23 - (B)</b>			<b>918.13</b>		<b>16.94</b>	<b>(82.96)</b>	<b>852.11</b>
Premium on issue of equity shares	(345.00)						(345.00)
Transfer to Capital Redemption Reserve		6.00	(6.00)				-
Others Adjustments - Expenses on buy back			(51.69)				(51.69)
<b>Balance as at March 31, 2023 - (C)</b>	<b>2,174.94</b>	<b>206.00</b>	<b>4,258.75</b>	<b>90.36</b>	<b>(101.89)</b>	<b>(128.42)</b>	<b>6,499.74</b>
<b>2023-24</b>							
Opening balance as at April 1, 2023 - (A)	2,174.94	206.00	4,258.75	90.36	(101.89)	(128.42)	6,499.74
Profit for the year			1,037.62				1,037.62
Other comprehensive income					4.62	72.36	76.98
<b>Total comprehensive income for the year 2023-24 - (B)</b>			<b>1,037.62</b>		<b>4.62</b>	<b>72.36</b>	<b>1,114.60</b>
Dividend paid (Including dividend distribution tax) for 2022-23			(75.28)				(75.28)
Others Adjustments - Expenses on buy back			0.05				0.05
<b>Balance as at March 31, 2024 - (C)</b>	<b>2,174.94</b>	<b>206.00</b>	<b>5,221.14</b>	<b>90.36</b>	<b>(97.27)</b>	<b>(56.06)</b>	<b>7,539.11</b>
<b>Balance as at March 31, 2023 - (C)</b>	<b>2,174.94</b>	<b>206.00</b>	<b>4,258.75</b>	<b>90.36</b>	<b>(101.89)</b>	<b>(128.42)</b>	<b>6,499.74</b>

Material accounting policies and notes to the standalone financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Standalone Statement of Changes in Equity

For and on behalf of the Board of Directors

As per our report of event date attached

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

P.Sundararajan  
Managing Director  
DIN : 00003380

S. Latha  
Executive Director  
DIN : 00003388

D K Giridharan  
Partner, Membership No. : 028738

V.Balaji  
Chief Financial Officer

K. Vinodhini  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## About the Company and Material Accounting Policies

### Forming part of the Standalone 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 21 manufacturing plants at Avinashi, Kovilpatti, Neelambur, Palangarai, Palladam, Perundurai, Valapady, Samichettipalayam, Sathyamangalam, Sulthanpet, Thekkalur, Netaji Apparel Park, Patlur and Annur. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited.

#### B. Basis of Accounting and preparation of Standalone financial statements

The Standalone 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 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 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 3(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 Standalone 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, 2024 have been prepared in accordance with Ind AS as notified above duly approved by the Board of Directors at its meeting held on May 21, 2024.

#### 2. Basis of Measurement

The Standalone 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

##### A. Issued and effective

##### Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other

## About the Company and Significant Accounting Policies (CONTD.) Forming part of the Standalone financial statements

information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

### Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The adoption of amendment to Ind AS 12 did not have any impact on standalone financial statements of the Company.

### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The adoption of amendment to Ind AS 8 did not have any impact on standalone financial statements of the Company.

### B. Issued and not effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### 4. Functional and Presentation Currency

Items included in the Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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

### 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.

## About the Company and Significant Accounting Policies (CONTD.) Forming part of the Standalone financial statements

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. MATERIAL ACCOUNTING POLICIES

#### 1. Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the Standalone 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.

#### 2. Financial Instruments

##### a. Financial Assets

###### (i) Classification of financial assets

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, the contractual terms of the cash flows and whether the investment meets the definition of interest in associates and joint ventures. 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. Investments forming part of interest in associates and joint ventures are measured at cost.

###### (ii) Measurements:

At initial recognition, the Company measures a financial asset at its fair value plus, except for trade receivables which are initially measured at transaction price. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### - Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- b) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ other expenses in the period in which it arises. Interest income

## About the Company and Significant Accounting Policies (CONTD.) Forming part of the Standalone financial statements

from these financial assets is included in other income.

### - Investment in subsidiaries

Investments in subsidiaries are carried at cost in the separate financial statements.

### - Equity instruments

The Company subsequently measures all equity investments other than investments forming part of interest in associates and joint ventures at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ other expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### (iii) Impairment of financial assets:

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at cost and amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer notes to accounts for the details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### (iv) Derecognition of financial assets:

A financial asset is derecognised only when

a) The Company has transferred the rights to receive cash flows from the financial asset or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay

the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### (v) Income recognition

#### a) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### b) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### 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



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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 effective 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

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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 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).

When a hedging instrument 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.

### **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

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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, 2024 and 2023 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

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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 include 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.

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### 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 benefits 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.

The revenue recognition in respect of the various streams of

## About the Company and Significant Accounting Policies (CONTD.) Forming part of the Standalone financial statements

revenue is described as follows

### **Export/Domestic sale of garments:-**

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

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

### **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 control over the product to the customer.

### **Right to receive export incentives from Government: -**

The Company has right to receive export incentives under Duty Drawback Scheme, Scheme for Rebate for State and Central Taxes and Levies [RoSCTL] and Remission of Duties and Taxes on Export Products [RoDTEP] 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. Interest Income and expense**

Other 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,

## About the Company and Significant Accounting Policies (CONTD.) Forming part of the Standalone financial statements

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.

## About the Company and Significant Accounting Policies (CONTD.) Forming part of the Standalone financial statements

### 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 Standalone 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 Standalone 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) 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.

#### (iii) 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.

(iv) For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.



## About the Company and Significant Accounting Policies (CONTD.) Forming part of the Standalone financial statements

### 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. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### 20. 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.

## D.NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 1.1 PROPERTY, PLANT AND EQUIPMENTS

The following table presents the changes in property, plant and equipment during the year ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	Accumulated Depreciation As at April 01, 2023	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2024	Net Block As at March 31, 2024	Net Block As at March 31, 2023
(a) Land										
Freehold	132.05	84.29	4.44	211.90	-	-	-	-	211.90	132.05
As at April 1, 2016	(5.76)	(0.58)	-	(6.34)	-	-	-	-	(6.34)	(6.34)
(b) Buildings	2,584.35	97.20	0.40	2,681.15	832.04	82.64	-	914.68	1,766.47	1,752.31
As at April 1, 2016	(1,528.32)	(15.00)	-	(1,543.32)	(381.82)	(50.26)	-	(432.08)	(1,111.24)	(1,111.24)
(c) Plant & Equipment	3,432.00	54.32	15.53	3,470.79	1,653.68	154.16	12.56	1,795.28	1,675.51	1,778.32
As at April 1, 2016	(2,216.82)	(225.78)	(11.26)	(2,431.34)	(883.48)	(98.20)	(5.49)	(976.19)	(1,455.15)	(1,455.15)
(d) Electrical Installations	317.40	25.49	14.13	328.76	161.55	27.61	12.65	176.51	152.25	155.85
As at April 1, 2016	(95.36)	(49.49)	-	(144.85)	(41.49)	(12.05)	-	(53.54)	(91.31)	(91.31)
(e) Furniture & Fittings	163.26	19.75	1.90	181.11	83.69	11.22	1.63	93.28	87.83	79.57
As at April 1, 2016	(135.90)	(52.65)	(0.21)	(188.34)	(67.18)	(14.91)	(0.10)	(81.99)	(106.35)	(106.35)
(f) Vehicles	68.31	3.23	-	71.54	29.37	4.70	-	34.07	37.47	38.94
As at April 1, 2016	(42.73)	(15.48)	(0.84)	(57.37)	(26.13)	(3.69)	(0.78)	(29.04)	(28.33)	(28.33)
(g) Lab Equipments	41.07	1.45	-	42.52	21.19	2.99	-	24.18	18.34	19.88
As at April 1, 2016	(10.20)	(0.10)	-	(10.30)	(8.51)	(0.55)	-	(9.06)	(1.24)	(1.24)
(h) Office Equipments	231.41	13.40	6.60	238.21	138.11	15.02	5.91	147.22	90.99	93.30
As at April 1, 2016	(124.27)	(20.21)	(0.29)	(144.19)	(71.31)	(10.39)	(0.13)	(81.57)	(62.62)	(62.62)
(i) Computers	180.89	9.19	0.59	189.49	137.03	12.40	0.51	148.92	40.57	43.86
As at April 1, 2016	(121.71)	(32.29)	(2.98)	(151.02)	(97.83)	(9.13)	(2.84)	(104.12)	(46.90)	(46.90)
<b>Total</b>	<b>7,150.74</b>	<b>308.32</b>	<b>43.59</b>	<b>7,415.47</b>	<b>3,056.66</b>	<b>310.74</b>	<b>33.26</b>	<b>3,334.14</b>	<b>4,081.33</b>	<b>4,094.08</b>
<b>As at April 1, 2016</b>	<b>(4,281.07)</b>	<b>(411.58)</b>	<b>(15.58)</b>	<b>(4,677.07)</b>	<b>(1,577.75)</b>	<b>(199.18)</b>	<b>(9.34)</b>	<b>(1,767.59)</b>	<b>(2,909.48)</b>	<b>(2,909.48)</b>

Note:

- (1) Leasehold land and vehicles transferred to right of use asset as per IND AS 116 with effect from April 1, 2019.
- (2) 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 deemed cost as on April 1, 2016 of those Property, Plant and Equipment are given in brackets.
- (3) Refer note on capital commitment & Security for the borrowings.
- (4) During financial year 23-24, 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. CAPITAL WORK IN PROGRESS

The following table presents the changes in capital work in progress during the year ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Deletions	As at March 31, 2024
Capital work in progress	98.67	196.06	107.26	187.47
<b>Total</b>	<b>98.67</b>	<b>196.06</b>	<b>107.26</b>	<b>187.47</b>

# D.NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

## 1.1. RIGHT OF USE ASSETS

The following table presents the changes in right of use assets during the period ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	Accumulated Depreciation As at April 01, 2023	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2024	Net Block As at March 31, 2024	Net Block As at March 31, 2023
(a) Land Lease Hold	13.53 (13.53)	-	-	13.53 (13.53)	2.06 (1.93)	0.13 (0.13)	-	2.19 (2.06)	11.34 (11.47)	11.47 (11.60)
(b) Vehicle Leasehold	34.46 (34.46)	-	-	34.46 (34.46)	21.73 (18.39)	3.09 (3.34)	-	24.82 (21.73)	9.64 (12.73)	12.73 (16.06)
(c) Building and Land rent - SP Superfine	334.67 (334.67)	-	-	334.67 (334.67)	121.08 (90.81)	30.27 (30.27)	-	151.35 (121.08)	183.32 (213.59)	213.59 (243.87)
(d) Land rent - MD and ED	53.42 (53.42)	-	-	53.42 (53.42)	7.80 (5.85)	1.95 (1.95)	-	9.75 (7.80)	43.67 (45.62)	45.62 (47.57)
(e) Lease Prepayment	29.41 (29.41)	-	-	29.41 (29.41)	21.21 (16.59)	4.43 (4.62)	-	25.64 (21.21)	3.77 (8.20)	8.20 (12.81)
Total	465.49 (465.49)	-	-	465.49 (465.49)	173.88 (133.57)	39.87 (40.31)	-	213.75 (173.88)	251.74 (291.61)	291.61 (331.91)

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, 2024

Particulars	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	Accumulated Amortisation As at April 01, 2023	Amortisation for the year	Disposals	Accumulated Amortisation As at March 31, 2024	Net Block As at March 31, 2024	Net Block As at March 31, 2023
(a) Goodwill	40.15 (40.15)	-	-	40.15 (40.15)	40.15 (33.36)	- (6.79)	-	40.15 (40.15)	- 0.00	- 0.00
(b) Brand / Trade Marks	4.16 (117.16)	3.36	-	7.52 (117.16)	4.16 (22.75)	- (18.39)	-	4.16 (41.14)	3.36 (76.02)	0.00 (76.02)
(c) Software	-	(4.09)	-	(4.09)	-	(0.19)	-	(0.19)	(3.90)	(3.90)
Total	44.31 (157.31)	3.36 (4.09)	-	47.67 (161.40)	44.31 (56.11)	(25.37)	-	44.31 (81.48)	3.36 (79.92)	0.00 (79.92)

Note: The company has elected to continue with the carrying amount of intangible assets 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 deemed cost as on April 1, 2016 of those intangible assets are given in brackets.

## 1.1. INTANGIBLE ASSETS UNDER DEVELOPMENT

The following table presents the changes in capital work in progress during the year ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Deletions	As at March 31, 2024
Intangible Assets under developments	3.36	-	3.36	-
Total	3.36	-	3.36	-

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 1.1 PROPERTY, PLANT AND EQUIPMENTS

The following table presents the changes in property, plant and equipment during the year ended March 31, 2023

Particulars	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	Accumulated Depreciation As at April 01, 2021	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2022	Net Block As at March 31, 2022	Net Block As at March 31, 2021
(a) Land										
Freehold	83.37	48.68	-	132.05	-	-	-	-	132.05	83.37
As at April 1, 2016	(5.76)	(0.58)	-	(6.34)	-	-	-	-	(6.34)	(6.34)
(b) Building	2,480.06	105.00	0.71	2,584.35	751.84	80.44	0.24	832.04	1,752.31	1,728.22
As at April 1, 2016	(1,528.32)	(15.00)	-	(1,543.32)	(381.82)	(50.26)	-	(432.08)	(1,111.24)	(1,111.24)
(c) Plant & Machinery	3,321.34	131.59	20.93	3,432.00	1,520.21	150.35	16.88	1,653.68	1,778.32	1,801.13
As at April 1, 2016	(2,216.82)	(225.78)	(11.26)	(2,431.34)	(883.48)	(98.20)	(5.49)	(976.19)	(1,455.15)	(1,455.15)
(d) Electrical Installations	298.30	22.58	3.48	317.40	137.47	26.14	2.06	161.55	155.85	160.83
As at April 1, 2016	(95.36)	(49.49)	-	(144.85)	(41.49)	(12.05)	-	(53.54)	(91.31)	(91.31)
(e) Furniture & Fittings	155.97	13.50	6.21	163.26	78.97	10.47	5.75	83.69	79.57	77.00
As at April 1, 2016	(135.90)	(52.65)	(0.21)	(188.34)	(67.18)	(14.91)	(0.10)	(81.99)	(106.35)	(106.35)
(f) Vehicles	32.75	35.56	-	68.31	28.09	1.28	-	29.37	38.94	4.66
As at April 1, 2016	(42.73)	(15.48)	(0.84)	(57.37)	(26.13)	(3.69)	(0.78)	(29.04)	(28.33)	(28.33)
(g) Lab Equipments	41.07	-	-	41.07	18.22	2.97	-	21.19	19.88	22.85
As at April 1, 2016	(10.20)	(0.10)	-	(10.30)	(8.51)	(0.55)	-	(9.06)	(1.24)	(1.24)
(h) Office Equipments	212.30	26.49	7.38	231.41	131.33	13.43	6.65	138.11	93.30	80.97
As at April 1, 2016	(124.27)	(20.21)	(0.29)	(144.19)	(71.31)	(10.39)	(0.13)	(81.57)	(62.62)	(62.62)
(i) Computer	175.29	11.68	6.08	180.89	130.76	12.13	5.86	137.03	43.86	44.53
As at April 1, 2016	(121.71)	(32.29)	(2.98)	(151.02)	(97.83)	(9.13)	(2.84)	(104.12)	(46.90)	(46.90)
<b>Total</b>	<b>6,800.45</b>	<b>395.08</b>	<b>44.79</b>	<b>7,150.74</b>	<b>2,796.89</b>	<b>297.21</b>	<b>37.44</b>	<b>3,056.66</b>	<b>4,094.08</b>	<b>4,003.56</b>
<b>As at April 1, 2016</b>	<b>(4,281.07)</b>	<b>(411.58)</b>	<b>(15.58)</b>	<b>(4,677.07)</b>	<b>(1,577.75)</b>	<b>(199.18)</b>	<b>(9.34)</b>	<b>(1,767.59)</b>	<b>(2,909.48)</b>	<b>(2,909.48)</b>

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) 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.
- (3) Refer note on capital commitment & Security for the borrowings.
- (4) During financial year 22-23, 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. CAPITAL WORK IN PROGRESS

The following table presents the changes in capital work in progress during the year ended March 31, 2023

Particulars	As at April 01, 2022	Additions	Deletions	As at March 31, 2024
Capital work in progress	77.47	86.58	65.38	98.67
<b>Total</b>	<b>77.47</b>	<b>86.58</b>	<b>65.38</b>	<b>98.67</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 1.1. RIGHT OF USE ASSETS

The following table presents the changes in right of use assets during the period ended March 31, 2023

Particulars	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	Accumulated Depreciation As at April 01, 2022	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2023	Net Block As at March 31, 2023	Net Block As at March 31, 2022
(a) Land Lease Hold	13.53 (13.53)	-	-	13.53 (13.53)	1.93 (1.80)	0.13 (0.13)	-	2.06 (1.93)	11.47 (11.60)	11.60 (11.73)
(b) Vehicle Leasehold	34.46 (34.46)	-	-	34.46 (34.46)	18.40 (15.06)	3.33 (3.34)	-	21.73 (18.40)	12.73 (16.06)	16.06 (19.40)
(c) Building and Land rent - SP Super fine	334.67 (334.67)	-	-	334.67 (334.67)	90.81 (60.54)	30.27 (30.27)	-	121.08 (90.81)	213.59 (243.87)	243.87 (274.12)
(d) Land rent - MD and ED	53.42 (53.42)	-	-	53.42 (53.42)	5.85 (3.90)	1.95 (1.95)	-	7.80 (5.85)	45.62 (47.57)	47.57 (49.52)
(e) Lease Prepayment	29.41 (29.41)	-	-	29.41 (29.41)	16.59 (11.63)	4.62 (4.96)	-	21.21 (16.59)	8.20 (12.81)	12.81 (17.78)
Total	465.49 (465.49)	-	-	465.49 (465.49)	133.58 (92.93)	40.30 (40.65)	-	173.88 (133.58)	291.61 (331.91)	331.91 (372.56)

Note:

a) Company has adopted modified retrospective approach as per para C8(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, 2023

Particulars	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	Accumulated Amortisation As at April 01, 2022	Amortisation for the year	Eliminated on disposal of assets	Accumulated Amortisation As at March 31, 2023	Net Block As at March 31, 2023	Net Block As at March 31, 2022
(a) Goodwill	40.15 (40.15)	-	-	40.15 (40.15)	40.15 (33.36)	- (6.79)	-	40.15 (40.15)	- 0.00	- 0.00
(b) Brand / Trade Marks	4.16 (117.16)	-	-	4.16 (117.16)	4.16 (22.75)	- (18.39)	-	4.16 (41.14)	0.00 (76.02)	0.00 (76.02)
(c) Software	-	(4.09)	-	(4.09)	-	(0.19)	-	(0.19)	(3.90)	(3.90)
Total	44.31 (157.31)	(4.09)	-	44.31 (161.40)	44.31 (56.11)	(25.37)	-	44.31 (81.48)	(0.00) (79.92)	(0.00) (79.92)

Note: The company has elected to continue with the carrying amount of intangible assets 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 deemed cost as on April 1, 2016 of those intangible assets are given in brackets.

### 1.1. INTANGIBLE ASSETS UNDER DEVELOPMENT

The following table presents the changes in capital work in progress during the year ended March 31, 2023

Particulars	As at April 01, 2023	Additions	Deletions	As at March 31, 2024
Intangible Assets under developments	-	3.36	-	3.36
Total	-	3.36	-	3.36

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.2 NON-CURRENT INVESTMENTS	As at March 31, 2024	As at March 31, 2023
<b>a. Investment in Equity Instruments of Subsidiaries - (Unquoted) carried at amortised cost</b>		
i. 266,000 shares (As at March 31, 2023 - 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, 2023 - 160,000 Shares) of 1 GBP each fully paid up in S.P. Apparels UK (P) Limited	15.75	15.75
iii. 100,000 shares (As at March 31, 2023 - 100,000 Shares) of Rs.10/- each fully paid up in S.P. Retail Ventures Limited	1.00	1.00
<b>b. Investment in Preference Shares of Subsidiaries - (Unquoted) carried at amortised cost</b>		
i. 72,00,000 CCP shares (As at March 31, 2023 - 72,00,000 Shares) of Rs. 100/- each fully paid up in S.P. Retail Ventures Limited	540.00	540.00
<b>c. Investments carried at amortised cost</b>		
Investments in Bonds and Non Convertible Debentures (NCDs) -(unquoted)	-	68.36
Investments in Bonds and Non Convertible Debentures (NCDs) -(quoted)	10.00	93.24
<b>d. Investments carried at fair value through profit or loss</b>		
Investment in Mutual funds (quoted)	-	240.64
<b>e. Others - (unquoted) carried at amortised cost</b>		
1,775 shares (As at March 31, 2023 - 1,775 Shares) of Rs. 1000/- each fully paid up in Netaji Apparel Park.	1.78	1.78
1,357 shares (As at March 31, 2023 - 2,300 Shares) of Rs. 10/- each fully paid up in Babu Energy P Ltd, Kancheepuram.	0.01	0.02
81 shares (As at March 31, 2023 - 167 Shares) of Rs. 100/- each fully paid up in Aravind Green Infra P Ltd, Karur	0.01	0.02
508 shares (As at March 31, 2023 - 625 Shares) of Rs. 100 /-each fully paid up in Apsara power India P Ltd, Karur	0.05	0.06
199 shares (As at March 31, 2023 - 292 Shares) of Rs. 100 /-each fully paid up in Amirthaa Green Infra P Ltd, Karur	0.02	0.03
Sub total	<b>632.36</b>	<b>1024.64</b>
Less: Impairment in Value of Investments	-	-
Total Investment in Equity Instruments	<b>632.36</b>	<b>1,024.64</b>
<b>Aggregate value of quoted and unquoted investments is as follows:</b>		
Aggregate value of quoted investments	10.00	333.88
Aggregate market value of quoted investments	10.00	332.16
Aggregate value of unquoted investments	622.36	690.76
Aggregate value of impairment of investments	-	-

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.3 NON-CURRENT LOANS AND ADVANCES	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Loans to Related Parties : (Refer Note No. 3.16)		
- S.P. Retail Ventures Limited	170.00	-
- S.P. Apparels UK (P) Limited	52.33	48.93
(Loans and advances were given at rate of interest of 4% p.a to S.P. Apparels UK (P) Limited)		
(Loans and advances were given at rate of interest of 7% p.a for the period Apr 23 - Sep 23 and 7.5% p.a for the period Oct 23 - Mar 24 to S.P. Retail Ventures Limited)		
Total	222.33	48.93
1.4 OTHER NON-CURRENT FINANCIAL ASSETS	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
a. Security Deposits (Includes Rs. 80.00 Millions and Rs. 80.00 Millions paid to Poornam Enterprises Private Limited as at March 31, 2024 and March 31, 2023 respectively)	168.75	118.35
(Includes Rs. 50.00 Millions and Rs. 50.00 Millions paid to S.P. Superfine Private Limited as at March 31, 2024 and March 31, 2023 respectively)		
b. Other Investments - Advance for Business Acquisition (Refer Note 3.15)	150.78	-
c. Other Receivables (Refer Note No. 3.16)		
- Crocodile Products Private Limited	71.30	71.30
d. Others		
EB Deposits	53.87	30.38
Others	0.34	0.34
	54.21	30.72
Total	445.04	220.37
1.5 OTHER NON-CURRENT ASSETS	As at March 31, 2024	As at March 31, 2023
a. Capital Advance (Refer Note 3.15)	175.00	-
b. Balance with government authorities (Unsecured, considered good)		
Sales Tax Deposits	0.01	0.01
c. Others - Unsecured, considered good (unless otherwise stated)		
Fringe Benefit Tax Receivables	0.04	0.04
Income Tax Receivables	2.50	2.50
Electricity Charges Receivables	7.58	7.58
	10.12	10.12
Total	185.13	10.13

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.6 INVENTORIES	As at March 31, 2024	As at March 31, 2023
a. Raw materials and Components	488.07	480.45
b. Work-in -progress	1,165.41	1,345.23
c. Finished goods	263.10	290.99
d. Stores, spares and consumable tools	231.01	253.56
Total	<b>2,147.59</b>	<b>2,370.23</b>
1.7 CURRENT INVESMENTS	As at March 31, 2024	As at March 31, 2023
a. Investments carried at amortized cost		
Investments in Bonds and Non-Convertible Debentures (NCDs) (unquoted)	292.78	-
b. Investments carried at fair value through profit or loss		
Mutual funds units (quoted)	210.00	726.24
Total	<b>502.78</b>	<b>726.24</b>
<b>Aggregate value of quoted and unquoted investments is as follows:</b>		
Aggregate value of quoted investments	210.00	726.24
Aggregate market value of quoted investments	210.00	726.24
Aggregate value of unquoted investments	292.78	-
Aggregate value of impairment of investments	-	-
1.8 TRADE RECEIVABLES	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Unsecured	841.12	423.19
Trade Receivables - credit impaired	7.50	1.15
	<b>848.62</b>	<b>424.34</b>
Less: Loss Allowance	7.50	1.15
Total	<b>841.12</b>	<b>423.19</b>

Above receivables includes receivables from subsidiary companies: (Refer Note 3.16)

a) S.P. Retail Ventures Limited - Rs 3.13 (as at March 31, 2023 Rs. 2.99)

Also includes receivables from enterprises owned by KMP:

a) S.P. Lifestyles - Rs 1.72 (as at March 31, 2023 Rs. 0.00)

b) S.P. Superfine P Ltd - Rs 31.50 (as at March 31, 2023 Rs. 0.00)





## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.9 CASH AND CASH EQUIVALENTS	As at March 31, 2024	As at March 31, 2023
a. Balances with Banks in Current account	452.83	91.09
in Deposit account	100.00	300.00
in EEFC account	0.01	0.01
Cash and stamps on hand	43.87	79.72
<b>Total</b>	<b>596.71</b>	<b>470.82</b>
b. Bank Balances other than (a) above		
In Deposit accounts	4.51	42.24
In Dividend account	0.04	-
<b>Total</b>	<b>4.55</b>	<b>42.24</b>
Note: Cash and Cash Equivalents for the purpose of Cash Flow Statement	596.71	470.82

1.10 OTHER CURRENT FINANCIAL ASSETS	As at March 31, 2024	As at March 31, 2023
a. Derivative Financial Instruments	12.84	-
<b>Total</b>	<b>12.84</b>	<b>-</b>

1.11 OTHER CURRENT ASSETS	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered Good unless otherwise stated)		
a. Prepaid Expenses	18.86	15.30
b. Material advances	34.07	34.19
c. Balances with government authorities		
- Export Incentives Receivables	104.57	43.65
- GST Refund receivable	61.10	62.19
- GST Input Credit	52.89	16.20
- TUF receivable	21.25	21.25
- Interest subvention receivable	0.16	0.37
	<b>239.97</b>	<b>143.66</b>
d. Advance Tax and Tax deducted at Source [net of provision for taxes of ₹ 309.78 Millions (as at March 31, 2023 ₹ 302.37 Millions)]	52.66	20.69
e. Others(Advance)	2.15	5.52
	<b>347.71</b>	<b>219.36</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.12 SHARE CAPITAL	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs in Millions	Number of shares	Rs in Millions
(a) Authorised Equity shares of Rs. 10/- each with voting rights	4,72,50,000	472.50	4,72,50,000	472.50
	4,72,50,000	472.50	4,72,50,000	472.00
(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	2,50,92,600	250.93	2,50,92,600	250.93
Total	2,50,92,600	250.93	2,50,92,600	250.93

### 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.

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, 2024		As at March 31, 2023	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
a) Equity Shares with voting rights				
Mr. P.Sundararajan	1,25,38,758	49.97%	1,25,38,758	49.97%
Ms. S.Latha	29,61,505	11.80%	29,61,505	11.80%
DSP Small Cap Fund	21,76,332	8.67%	21,00,473	8.37%

#### 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 of Shares/ (Buyback of Shares)	Closing Balance
<b>Equity shares with voting rights</b>			
Period ended March 31, 2024			
- Number of shares	2,50,92,600	-	2,50,92,600
- Amount (Rs. 10 each) (Rs. in Million)	250.93	-	250.93
Period ended March 31, 2023			
- Number of shares	2,56,92,600	(6,00,000)	2,50,92,600
- Amount (Rs. 10 each) (Rs. in Million)	256.93	(6)	250.93

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

iv) After obtaining the approval from the Board, at its meeting on September 21, 2022, the buyback of 6,00,000 Equity Shares of Rs 10 each (representing 2.34% of the total number of paid up equity shares of the Company) from the shareholders of the Company on a proportionate basis by way of tender route at a price of Rs 585 per share for an amount not exceeding Rs.351 Million(5.62% of paid up capital and free reserves) was initiated in accordance with the provisions of the Companies act, 2013 and the SEBI (Buy back) regulations. The extinguishment of equity shares was completed on November 30, 2022.

v) Details of shares held by promoters :

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Equity shares of Rs. 10 each fully paid up</b>					
Mr. P.Sundararajan	1,25,38,758	-	1,25,38,758	49.97%	0.00%
Ms. S.Latha	29,61,505	-	29,61,505	11.80%	0.00%
Mr. Sundararajan Chenduran	28,251	-	28,251	0.11%	0.00%
Ms. Shantha Senthil	10,771	-	10,771	0.04%	0.00%
<b>Total</b>	<b>1,55,39,285</b>	<b>-</b>	<b>1,55,39,285</b>	<b>61.92%</b>	<b>0.00%</b>

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Equity shares of Rs. 10 each fully paid up</b>					
Mr. P.Sundararajan	1,27,84,273	(2,45,515)	1,25,38,758	49.97%	-1.92%
Ms. S.Latha	30,24,509	(63,004)	29,61,505	11.80%	-2.08%
Mr. Sundararajan Chenduran	28,852	(601)	28,251	0.11%	-2.08%
Ms. Shantha Senthil	11,000	(229)	10,771	0.04%	-2.08%
<b>Total</b>	<b>1,58,48,634</b>	<b>(3,09,349)</b>	<b>1,55,39,285</b>	<b>61.92%</b>	<b>-8.16%</b>

### 1.13 OTHER EQUITY

	As at March 31, 2024	As at March 31, 2023
<b>a. Securities Premium Account</b>		
Balance as at the beginning of the period	2,174.94	2,519.94
Add: Pursuant to business combination	-	-
Add: Premium on issue of shares	-	-
Less: Premium paid on buy back of equity shares	-	(345.00)
<b>Balance as at the end of the year</b>	<b>2,174.94</b>	<b>2,174.94</b>
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>b. Capital Redemption Reserve</b>		
Balance as at the beginning of the year	206.00	200.00
Add: Capital REdemption on buyback	-	6.00
<b>Balance as at the end of the period</b>	<b>206.00</b>	<b>206.00</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.13 OTHER EQUITY	As at March 31, 2024	As at March 31, 2023
<p>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.</p> <p>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.</p> <p>During the FY 22-23, the reserve has been created as per Section 69 of Companies Act, 2013 based on the buyback of equity shares. An amount equal to nominal value of share brought back has been transferred to Capital Redemption Reserve. The above reserve may be utilized by the company for the issue of fully paid up bonus shares</p>		
<b>c. Additional Paid in Equity</b>		
Balance as at the beginning of the year	90.36	90.36
Balance as at the end of the period	<b>90.36</b>	<b>90.36</b>
This has arisen because of the unsecured loan received and preference shares		
(i) As per Ind AS 109, financial liability which were received at concessional rate compared to market rate are valued at fair value from the date of its avilment and difference between the nominal value of unsecured loan and fair value has been treated as deferred loan and unwound during the term of loan. Further differences has been disclosed as additional paid in equity [with respect to unsecured loans related to equity holders].		
ii) As per Para 18 of Ind AS 32, a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Further, the Company as at the date of issue has arrived the present value of the cash flow at market rate return of the preference shares and differences between nominal value of preference shares and present value of the cash flow has been disclosed as additional paid in equity [with respect to preference shares related to equity holders].		
<b>d. Retained Earnings (Surplus in Statement of Profit and Loss)</b>		
Balance as at the beginning of the year	4,258.75	3,398.31
Add: Current year profit	1,037.62	918.13
Less: Dividend 2022-23	(75.28)	-
Transfer to Capital Redemption Reserve	-	(6.00)
Expenses on Buy back	0.05	(51.69)
Balance as at the end of the year	<b>5,221.14</b>	<b>4,258.75</b>
Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.		
<b>e. Other Comprehensive Income</b>		
Opening balance	(230.31)	(164.29)
	76.98	(66.02)
Closing balance	<b>(153.33)</b>	<b>(230.31)</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.13 OTHER EQUITY	As at March 31, 2024	As at March 31, 2023
Other comprehensive income include remeasurement of net defined benefit liability / asset and changes in fair value of derivatives designated as cash flow hedges, net of taxes. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve.		
The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.		
<b>Total Other Equity</b>	<b>7,539.11</b>	<b>6,499.74</b>

1.14 NON-CURRENT BORROWINGS	As at March 31, 2024	As at March 31, 2023
<b>a. Secured Borrowings at Amortised Cost</b>		
Term Loan from banks	-	54.57
<b>Total</b>	<b>-</b>	<b>54.57</b>

1. With respect to Term Loans from Banks, the exclusive charge on fixed assets acquired out of finance provided by the respective banks. Second charge on the current assets has been extended to the banks where ever possible. Promoters guarantee and security has also been provided.

- Loan amounting to Rs. 0.00 Million (Previous year Rs. 14.88 Million)
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 17.81 Million)
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 14.61 Million)
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 11.38 Million)
- Loan amounting to Rs. 9.18 Million (Previous year Rs. 51.53 Million) is repayable in 3 quarterly instalments
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 20.48 Million)
- Interest rate relating to term loans from banks is in the range of 8.60 % to 10.05 % (Previous Year : 8.60 % to 10.05 %.)
- The Company has not defaulted in repayment of principal and interest during the year.
- Refer Note 1.18(b) for Current Maturities of Long Term Borrowings.

1.15 NON-CURRENT LEASE LIABILITIES	As at March 31, 2024	As at March 31, 2023
<b>a. Long term maturity of finance lease obligations [Including Right of use Asset obligation]</b>	<b>255.73</b>	<b>284.64</b>
<b>Total</b>	<b>255.73</b>	<b>284.64</b>

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.

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

- Refer Note 1.19 for Current Maturities of Finance Lease Obligations.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

The movement in lease liabilities during the Year ended March 31, 2024 and March 31, 2023 are given below

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	284.93	312.83
Additions	-	-
Finance cost accrued during the year	25.03	27.79
Provision for Doubtful debts	-	-
Payment of lease liabilities	(54.23)	(55.69)
<b>Balance at the end of the year</b>	<b>255.73</b>	<b>284.93</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	54.03	54.32
One to five years	217.03	264.66
More than five years	58.92	65.32
<b>Total</b>	<b>329.98</b>	<b>384.30</b>

Amounts recognised in profit or loss for the year ended March 31, 2024 and March 31, 2023 are given below

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	25.03	27.79
Expenses relating to leases of low-value assets, including short-term leases of low value assets	49.44	50.12
<b>Total</b>	<b>74.47</b>	<b>77.91</b>

### 1.16 OTHER NON-CURRENT FINANCIAL LIABILITIES

	As at March 31, 2024	As at March 31, 2023
a. Deferred Govt Grant Receivables	59.93	87.29
<b>Total</b>	<b>59.93</b>	<b>87.29</b>

### 1.17 DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2024	As at March 31, 2023
a. Deferred tax liabilities	383.06	340.82
b. Deferred tax (assets)	-	-
<b>Total Deferred tax (assets)/ liabilities</b>	<b>383.06</b>	<b>340.82</b>
Deferred tax liability / (assets) in relation to:		
- Property, plant and equipment (including Intangible assets)	364.01	369.59
- Other temporary differences (income tax disallowance, land indexation, loan raising expenses etc)	19.05	(28.77)
<b>Total</b>	<b>383.06</b>	<b>340.82</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1.18 CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at March 31, 2024	As at March 31, 2023
a. Secured Borrowings at amortised cost		
Loans from Banks (Includes Cash Credit, Working capital demand loans, Packing credit, etc)	1,014.98	1,484.80
b. Current maturities of Long-term debts at amortised cost (Refer Note 1.14)	9.18	76.15
<b>Total</b>	<b>1,024.16</b>	<b>1,560.95</b>

Note : With respect to Cash Credit, Working Capital Demand Loan, Packing Credit from Banks, the first charge on entire current assets including stock of Raw Material, Work in Progress, Finished Goods, Stores, Spares & Consumable and receivables of the Company is given to respective banks. Second charge on the entire fixed assets of the Company (other than exclusively charged to term loans) has been extended to the banks where ever possible. Promoters guarantee and security has also been provided to banks.

1.19 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES	As at March 31, 2024	As at March 31, 2023
Current maturities of finance lease obligations	-	0.29
<b>Total</b>	<b>-</b>	<b>0.29</b>

1.20 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES	As at March 31, 2024	As at March 31, 2023
Trade payables - including acceptances		
(A) Total outstanding dues of micro enterprises and small enterprises (Refer Note 3.14)	82.17	130.82
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises includes payables to subsidiary company (Refer Note 3.16) S.P. Retail Ventures Limited Rs. 0.00 (as at March 31, 2023 Rs. 0.28) includes payables to enterprises owned by key managerial personnel (Refer Note 3.16) S.P. Superfine Cotton Mills Pvt Ltd Rs. 11.39 (as at March 31, 2023 Rs. 2.43)	529.83	430.15
<b>Total</b>	<b>612.00</b>	<b>560.97</b>

### As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues to micro enterprises and small enterprises	65.25	16.92	-	-	-	82.17
Dues to other than micro enterprises and small enterprises	328.23	127.84	0.27	0.76	0.01	457.11
Disputed dues to micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro enterprises and small enterprises	-	-	-	-	-	-
Unbilled dues	72.72	-	-	-	-	72.72
<b>Total</b>	<b>466.20</b>	<b>144.76</b>	<b>0.27</b>	<b>0.76</b>	<b>0.01</b>	<b>612.00</b>



## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues to micro enterprises and small enterprises	105.07	25.75	-	-	-	130.82
Dues to other than micro enterprises and small enterprises	294.29	78.73	0.88	0.00	0.04	373.94
Disputed dues to micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro enterprises and small enterprises	-	-	-	-	-	-
Unbilled dues	56.21	-	-	-	-	56.21
<b>Total</b>	<b>455.57</b>	<b>104.48</b>	<b>0.88</b>	<b>0.00</b>	<b>0.04</b>	<b>560.97</b>

### 1.21 CURRENT FINANCIAL LIABILITIES - Others

	As at March 31, 2024	As at March 31, 2023
a. Proposed dividend on cumulative preference shares including DDT	0.05	0.04
b. Capital Creditors	18.31	24.18
c. Employee Benefits includes payables to Key Managerial Personnel P. Sundararajan [ Managing Director Rs. 4.22 (as at March 31, 2023 Rs. 0.40)] S. Shantha [ Joint Managing Director Rs. 0.07 (as at March 31, 2023 Rs. 0.07)] S. Chenduran [ Joint Managing Director Rs. 0.18 (as at March 31, 2023 Rs. 0.18)]	178.31	151.83
d. Derivative financial liability	-	110.49
e. Trade Deposit from customers	2.00	-
<b>Total</b>	<b>286.54</b>	<b>228.79</b>

### 1.22 OTHER CURRENT LIABILITIES

	As at March 31, 2024	As at March 31, 2023
a. Statutory Liabilities	51.52	45.35
<b>Total</b>	<b>51.52</b>	<b>45.35</b>

### 1.23 CURRENT PROVISIONS

	As at March 31, 2024	As at March 31, 2023
a. Provision for employee benefits		
Leave Salary	20.46	20.27
Gratuity (Net of funds) (Refer Note 3.6)	66.49	51.51
<b>Total</b>	<b>86.95</b>	<b>71.78</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

2.1 REVENUE FROM OPERATIONS	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a. Sale of Products</b>		
<b>Manufactured goods</b>		
Garments - Export	8,182.42	8,261.86
Garments - Local	36.69	34.95
Yarn	318.91	92.00
Fabric	141.10	90.62
Cotton Waste	201.55	165.06
<b>Traded Goods</b>		
Cotton	-	78.80
<b>Sub Total</b>	<b>8,880.67</b>	<b>8,723.29</b>
<b>b. Revenue From Services</b>		
Dyeing charges	42.97	166.22
Embroidery charges	4.22	0.90
Printing charges	0.13	-
Others	2.29	0.09
<b>Sub Total</b>	<b>49.61</b>	<b>167.21</b>
<b>c. Other Operating revenue</b>		
Duty Draw Back and other Export Incentives	523.93	504.71
Sale of Scrap	1.63	0.01
Release of Deferred Income*	27.36	29.74
<b>Sub Total</b>	<b>552.92</b>	<b>534.46</b>
<b>Total</b>	<b>9,483.20</b>	<b>9,424.96</b>

\* Release of deferred income is relating to incentive from Technology Upgradation Fund (TUF) Scheme loan and Export Promotion Capital Goods (EPCG) Scheme which was accounted during the transition to Ind AS, now taken to statement of profit and loss.

2.2 OTHER INCOME	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a. Interest Income from</b>		
Deposits & NCDS	27.49	6.71
Lease Deposits	10.17	8.23
Interest on Income Tax Refund	-	3.07
Loan to SP Retail Ventures Limited (Refer Note 3.16)	9.68	0.91
Loan to SP Apparels UK (P) Limited (Refer Note 3.16)	1.86	1.83
<b>Sub Total</b>	<b>49.20</b>	<b>20.75</b>
<b>b. Dividend Income from</b>		
Non Current Investments	0.58	0.30
<b>Sub Total</b>	<b>0.58</b>	<b>0.30</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

2.2 OTHER INCOME	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>c. Other Non-operating Income</b>		
Profit on Sale of Investments	104.51	6.67
Foreign Exchange Gain/(Loss) (Net)	-	169.70
Gain on fair valuation of investments carried at fair value through profit or loss	2.10	0.54
Others	0.25	0.28
<b>Sub Total</b>	<b>106.86</b>	<b>177.19</b>
<b>Total</b>	<b>156.64</b>	<b>198.24</b>
<b>2.3 COST OF MATERIALS CONSUMED</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Opening Stock	734.01	1,110.19
Purchases	3,212.98	3,191.91
	<b>3,946.99</b>	<b>4,302.10</b>
Less: Closing Stock	719.08	734.01
<b>Total</b>	<b>3,227.91</b>	<b>3,568.09</b>
<b>2.4 PURCHASE OF STOCK-IN-TRADE - TRADED GOODS</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Garments	9.69	17.43
<b>Total</b>	<b>9.69</b>	<b>17.43</b>
<b>2.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>a. Changes in Inventories</b>		
Finished goods	290.99	203.76
Work-in-progress	1,345.23	1,645.00
	<b>1,636.22</b>	<b>1,848.76</b>
<b>b. Inventory at the end of the year</b>		
Finished goods	263.10	290.99
Work-in-progress	1,165.41	1,345.23
	<b>1,428.51</b>	<b>1,636.22</b>
<b>Total</b>	<b>207.71</b>	<b>212.54</b>
<b>2.6 EMPLOYEE BENEFITS EXPENSE</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Salaries, wages and bonus	1,901.16	1,772.72
Contribution to provident, gratuity and other funds	207.85	183.35
Welfare expenses	311.86	280.49
<b>Total Employee benefit expenses from Continuing Operations</b>	<b>2,420.87</b>	<b>2,236.56</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

2.7 FINANCE COST	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expense on Bank Borrowings	84.46	77.92
Interest Expense on Right of Use Asset	25.03	27.79
Other borrowing costs	37.08	41.24
Exchange loss/(gain) on foreign currency	(15.43)	9.21
<b>Total Finance Cost from Continuing Operations</b>	<b>131.14</b>	<b>156.16</b>

2.8 DEPRECIATION AND AMORTISATION EXPENSES	For the year ended March 31, 2024	For the year ended March 31, 2023
Buildings	82.64	80.44
Plant and Equipment	151.53	150.35
Electrical Installations	27.70	26.14
Furniture and Fittings	11.22	10.47
Office Equipment	15.05	13.43
Lab Equipment	2.99	2.97
Computers	12.39	12.13
Vehicles	4.72	1.28
Solar plant	2.50	-
Right of Use Asset		
- Land	0.13	0.13
- Vehicles	3.09	3.33
- Others	36.65	36.84
<b>Total</b>	<b>350.61</b>	<b>337.51</b>

2.9 OTHER EXPENSES	For the year ended March 31, 2024	For the year ended March 31, 2023
Power & Fuel	406.23	342.07
Repairs & Maintenance - Buildings	15.05	45.56
Repairs & Maintenance - Plant and Equipment	96.58	107.38
Repairs & Maintenance - Others	70.06	64.33
Fabrication Charges	133.97	97.58
Other Manufacturing Expenses	704.06	759.73
Payments to Auditors [ Refer Note 2.9 (i) ]	1.99	1.90
Insurance	13.73	18.74
Legal & Professional Charges	29.99	23.52
Loss on Sale of Property, Plant and Equipment	3.02	4.89
Printing and stationery	10.82	11.63
Communication	2.21	1.77

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.9 OTHER EXPENSES	For the year ended March 31, 2024	For the year ended March 31, 2023
Travelling and conveyance	40.71	40.97
Factory lease rent	22.45	21.29
Rent	26.99	28.83
Rates and taxes	21.55	19.59
Donation	0.53	0.81
Expenditure on Corporate Social Responsibility (Refer Note 3.4)	28.59	14.48
Director sitting fees(Refer Note 3.2)	1.28	1.20
Commission	1.32	0.06
Freight and forwarding	151.02	97.98
Business promotion	5.25	6.38
Loss Allowance on receivables / advances	8.32	1.15
Provisions for MTM (Gain)/Loss on forward contracts	(26.63)	97.41
Loss on Foreign Exchange	99.52	3.96
Miscellaneous expenses	66.36	58.95
<b>Total</b>	<b>1,934.97</b>	<b>1,872.16</b>
<b>(i) Payment to auditors comprises:</b>		
As auditors - statutory audit	1.90	1.90
For other services	0.09	-
<b>Total</b>	<b>1.99</b>	<b>1.90</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 3.1 Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and a description of the items that created these differences is given below :

Recognised deferred tax assets/liabilities	As at March 31, 2024	As at March 31, 2023
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, Plant and Equipment	(364.01)	(369.59)
Derivative Adjustments	(25.89)	22.21
Others	6.84	6.56
<b>Net deferred tax (liabilities)/assets recognised in Balance Sheet</b>	<b>(383.06)</b>	<b>(340.82)</b>

Movement in temporary differences during current and previous year	Property, Plant and Equipment	Derivative Adjustments	Other Equity	Others
Balance as at April 1, 2022	(348.47)	(1.86)	-	(7.84)
Recognised in income statement	(21.12)	-	-	14.40
Recognised in Equity	-	24.07	-	-
<b>Balance as at March 31, 2023</b>	<b>(369.59)</b>	<b>22.21</b>	<b>-</b>	<b>6.56</b>
Recognised in income statement	5.58	-	-	0.28
Recognised in Equity	-	(48.10)	-	-
<b>Balance as at March 31, 2024</b>	<b>(364.01)</b>	<b>(25.89)</b>	<b>-</b>	<b>6.84</b>

Income tax expense recognized in profit or loss	As at March 31, 2024	As at March 31, 2023
Current Tax expense/ (reversal)	309.78	302.37
Deferred Tax expense	16.34	4.87
Short / (Excess) provision for earlier year's tax	(6.80)	(2.62)
	<b>319.32</b>	<b>304.62</b>

### 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, 2024	As at March 31, 2023
Profit before taxes	1,356.94	1,222.75
	25.17%	25.17%
Expected tax expense/(benefit)	341.51	307.74
Short / (Excess) provision for earlier year's tax	(6.80)	(2.62)
Due to timing differences	16.34	4.87
Permanent Differences	(31.73)	(5.37)
<b>Income Tax expenses recognised in Statement of Profit and Loss</b>	<b>319.32</b>	<b>304.62</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

3.2 Payments to directors (other than managing director and executive director)	Year ended March 31, 2024	Year ended March 31, 2023
Sitting fees	1.28	1.20

3.3 Earnings Per Share	Year ended March 31, 2024	Year ended March 31, 2023
Net Profit after Tax for the year from Continuing Operations	1,037.62	918.13
Weighted average number of equity shares outstanding ( Refer Note (i) below)	2,50,92,600	2,54,92,600
Earnings Per Share - Basic & Diluted	41.35	36.02
(i) Weighted average number of shares - Basic & Diluted		
Paid-up equity share capital (face value Rs. 10/-)	25,09,26,000	25,09,26,000
Face Value per share	10.00	10.00
Weighted average number of equity shares outstanding	2,50,92,600	2,54,92,600

### 3.4 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 Rs. 19.39 Millions during the year ended March 31, 2024 towards CSR in compliance of this requirement. A sum of Rs 28.59 million including Rs 8.91 million relating to March 31, 2020 has been spent during the current year towards CSR activities as per details given below:

Organisation	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the Company during the year	19.39	13.74
Amount of expenditure incurred*	28.59	14.48
Shortfall at the end of the year	0	0
Total of previous year shortfall	0	0
Reason for shortfall	NA	NA
Nature of CSR activities	Education, skill development, rural development, health care, disaster management	

\*Out of the above expenditure incurred during FY 23-24, ₹ 15.62 millions is towards contribution to SP Charitable Trust which supports skill development activities

\*Amount of expenditure incurred during FY 23-24 includes ₹ 8.91 million relating to Financial year ending March 31, 2020

## D.NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 3.5 Foreign currency exposure

The details of foreign currency exposure as at March 31, 2024 are as follows:

Particulars	As at March 31, 2024		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
<b>Cash and cash equivalent</b>			
Cash in hand	USD	0.00	0.20
	GBP	0.01	0.77
	EUR	0.00	0.19
	SGD	0.00	0.00
	HKD	0.00	0.01
	LKR	0.04	0.01
		0.05	1.18
EEFC A/c	GBP	0.00	0.01
	EUR	0.00	0.00
		0.00	0.01
<b>Amounts receivable in foreign currency on account of:</b>			
Trade Receivables	USD	3.46	288.77
	GBP	3.17	333.95
	EUR	1.15	103.85
		7.78	726.57
Loans and Advances	USD	0.02	1.75
	GBP	0.50	52.59
	SEK	0.30	2.32
		0.82	56.66
<b>Amounts payable in foreign currency on account of:</b>			
Trade Payables	USD	0.03	2.77
	EUR	0.20	18.30
		0.23	21.07
PCFC account	USD	2.05	171.27
	GBP	0.04	3.81
	EUR	2.69	242.92
		4.78	418.00



## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

The details of foreign currency exposure as at March 31, 2023 are as follows:

Particulars	As at March 31, 2023		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
<b>Cash and cash equivalent</b>			
Cash in hand	GBP	0.00	0.12
	EUR	0.00	0.18
		0.00	<b>0.30</b>
EEFC A/c	GBP	0.00	0.01
		0.00	<b>0.01</b>
<b>Amounts receivable in foreign currency on account of:</b>			
Trade Receivables	USD	2.53	207.71
	GBP	0.81	82.35
	EUR	0.99	88.90
	RUB	28.10	29.40
		32.43	<b>408.36</b>
Loans and Advances	USD	0.02	1.56
	GBP	0.48	48.93
	EUR	0.05	4.14
	CHF	0.00	0.10
		0.55	<b>54.73</b>
<b>Amounts payable in foreign currency on account of:</b>			
Trade Payables	USD	0.03	2.80
	EUR	0.21	18.26
		0.24	<b>21.06</b>
PCFC account	USD	0.56	45.85
	EUR	4.36	391.14
		4.92	<b>436.99</b>
Buyers Credit	EUR	0.25	22.26
		0.25	<b>22.26</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 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, 2024	Year ended March 31, 2023
Projected benefit obligation at the beginning of the year	103.10	104.34
Service cost	26.03	20.05
Interest cost	8.09	7.90
Remeasurement (gain)/losses	(7.73)	(20.77)
Benefits paid	(9.22)	(8.42)
<b>Projected benefit obligation at the end of the year</b>	<b>120.27</b>	<b>103.10</b>

##### Change in the fair value of plan assets

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of plan assets at the beginning of the year	51.59	38.09
Interest income	3.39	2.83
Employer contributions	9.58	17.23
Benefits paid	(9.22)	(8.42)
Return on plan assets, excluding amount recognised in net interest expense	(1.56)	1.86
<b>Fair value of plan assets at the end of the year</b>	<b>53.78</b>	<b>51.59</b>

##### Amount recognised in the Balance Sheet

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of projected benefit obligation at the end of the year	120.27	103.10
Fair value of plan assets at the end of the year	(53.78)	(51.59)
<b>Funded status amount of liability recognised in the Balance Sheet</b>	<b>66.49</b>	<b>51.51</b>

##### Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Service cost	26.03	20.05
Interest cost	8.09	7.90
Interest income	(3.39)	(2.83)
<b>Net gratuity costs</b>	<b>30.73</b>	<b>25.12</b>
Actual return on plan assets	-	-

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### Summary of actuarial assumptions

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Discount rate	7.22%	7.31%
Expected rate of return on plan assets	7.43%	7.40%
Salary escalation rate	2.00%	2.00%
Attrition rate	10.00%	40.00%

**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 Rs. 11.94 Millions to its gratuity fund during the year ending March 31, 2025. ( Previous year : Rs. 15.34 Millions)

The expected cash flows over the next few years are as follows:

Year	Discounted Amount	Undiscounted Amount
1 year	11.58	12.00
2 to 5 years	29.30	35.62
6 to 10 years	25.32	42.19
More than 10 years	54.07	143.58

**Plan assets:** The Gratuity plan's weighted-average asset allocation at March 31, 2024 and March 31, 2023, by asset category is as follows:

	March 31, 2024	March 31, 2023
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 2024		March 31 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	9.39	(8.24)	4.13	(3.80)
(% change compared to base due to sensitivity)	7.81%	-6.85%	3.90%	-3.59%
Salary Growth rate (-/+ 1%)	(8.35)	9.43	(3.49)	3.73
(% change compared to base due to sensitivity)	-6.94%	7.84%	-3.30%	3.52%

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### b. Contributions to defined contribution plans

#### i. Provident Fund

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 Rs. 46.79 Millions and Rs. 41.02 Millions during the year ended March 31, 2024 and March 31, 2023 respectively.

#### ii. Employee State Insurance

In accordance with Indian law, all eligible employees receive benefits from a employee state insurance, 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 salary. The Company has no further obligations under theb plan beyond its monthly contributions. The company contributed Rs. 47.34 Millions and Rs. 41.14 Millions during the year ended March 31, 2024 and March 31, 2023 respectively.

### 3.7 Segment Reporting

The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the Consolidated Financial Statements.

### 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, 2024 and March 31, 2023 are given below:

Particulars	Currency	As at	As at
		March 31, 2024	March 31, 2023
Forward contracts (Sell)	USD	17.26	16.13
	EUR	12.25	14.25
	GBP	11.92	13.52
(Gain) / loss on mark to market in respect of forward contracts outstanding	INR	(12.84)	110.49

The Company recognized a net gain/(loss) on the forward contracts of Rs. 123.33 Millions (Previous year : Rs. (208.27) Millions) for the year ended March 31, 2024.

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:

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	USD	USD	EUR	EUR	GBP	GBP
Not later than one month	0.86	1.00	-	1.00	2.02	1.52
Later than one month and not later than three months	1.75	4.25	2.40	5.75	2.25	6.25
Later than three months and not later than six months	10.15	6.63	5.30	6.00	3.65	4.25
Later than six months and not later than one year	4.50	4.25	4.55	1.50	4.00	1.50
<b>Total</b>	<b>17.26</b>	<b>16.13</b>	<b>12.25</b>	<b>14.25</b>	<b>11.92</b>	<b>13.52</b>

### b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2024 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
<b>Assets</b>					
Investments	925.14	210.00	-	1,135.14	1,135.14
Trade receivables	841.12	-	-	841.12	841.12
Cash and cash equivalents	596.71	-	-	596.71	596.71
Other bank balances	4.55	-	-	4.55	4.55
Loans and Advances	222.33	-	-	222.33	222.33
Other financial assets	445.04	-	-	445.04	445.04
Derivative financial instruments	-	16.21	(3.36)	12.84	12.84
<b>Liabilities</b>					
Borrowings from banks	1,024.16	-	-	1,024.16	1,024.16
Borrowings from others	-	-	-	-	-
Finance lease liabilities	255.73	-	-	255.73	255.73
Trade payables	612.00	-	-	612.00	612.00
Other financial liabilities	258.60	-	-	258.60	258.60

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

The carrying value and fair value of financial instruments by each category as at March 31, 2023 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
<b>Assets</b>					
Investments	784.00	966.88	-	1,750.88	1,750.88
Trade receivables	423.19	-	-	423.19	423.19
Cash and cash equivalents	470.82	-	-	470.82	470.82
Other bank balances	42.24	-	-	42.24	42.24
Loans and Advances	48.93	-	-	48.93	48.93
Other financial assets	220.37	-	-	220.37	220.37
<b>Liabilities</b>					
Borrowings from banks	1,615.52	-	-	1,615.52	1,615.52
Borrowings from others	-	-	-	-	-
Finance lease liabilities	284.93	-	-	284.93	284.93
Trade payables	560.97	-	-	560.97	560.97
Other financial liabilities	263.34	-	-	263.34	263.34
Derivative financial instruments	-	10.43	100.06	110.49	110.49

### Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2024 and 2023 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows:

	As at March 31, 2024	As at March 31, 2023
Inventories	2,147.59	2,370.23
Trade receivables	841.12	423.19
Cash and cash equivalents	596.71	470.82
Property, plant and Equipments	4,081.33	4,094.08
<b>Total</b>	<b>7,666.75</b>	<b>7,358.32</b>

### 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, 2024			Fair value as of March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Investments	210.00	-	-	966.88	-	-
Derivative financial assets - gain on outstanding option/forward contracts	-	12.84	-	-	-	-
<b>Liabilities</b>						
Derivative financial assets - loss on outstanding option/forward contracts	-	-	-	-	110.49	-

- 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. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### d. Interest income/(expenses), gains/(losses) recognized on financial assets and liabilities

Recognised deferred tax assets/liabilities	As at March 31, 2024	As at March 31, 2023
<b>(a) Financial assets at amortised cost</b>		
Interest income on bank deposits	27.49	6.71
Interest income on other financial assets	21.71	10.97
<b>(b) Financial assets at fair value through profit or loss (FVTPL)</b>		
Net gains/(losses) on fair valuation of derivative financial instruments	26.63	(97.41)
<b>(c) Financial assets at fair value through profit or loss (FVTOCI)</b>		
Net gains/(losses) on fair valuation of derivative financial instruments	96.70	(110.86)
<b>(d) Financial liabilities at amortised cost</b>		
Interest expenses on lease obligations	(25.03)	(27.79)
Interest expenses on borrowings from banks, others and overdrafts	(84.46)	(77.92)

### 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:

##### 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.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 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, 2023 and 2024 was as follows:

	As at March 31, 2024	As at March 31, 2023
Investments	1,135.14	1,750.88
Trade receivables	841.12	423.19
Cash and cash equivalents	596.71	470.82
Other bank balances	4.55	42.24
Loans and Advances	222.33	48.93
Other financial assets	457.88	220.37
	<b>3,257.74</b>	<b>2,956.43</b>

### 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, 2024	As at March 31, 2023
<b>Period (in days)</b>		
Past due 0 - 180 days	828.23	412.17
More than 181 days	12.89	11.02
	<b>841.12</b>	<b>423.19</b>

### Note:

Other financial assets and Loans of Rs.2,403.77 Millions as at March 31, 2024 (Rs.2,533.24 Millions as at March 31, 2023) 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.



## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at March 31, 2024	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings from banks	1,024.16	1,024.16	1,024.16			
Finance lease liabilities	255.73	329.98	54.03	108.42	108.61	58.92
Trade payables	612.00	612.00	610.96	1.03	0.01	-
Other financial liabilities	258.60	258.60	258.60	-	-	-
<b>Total</b>	<b>2,150.49</b>	<b>2,224.74</b>	<b>1,947.75</b>	<b>109.45</b>	<b>108.62</b>	<b>58.92</b>
<b>As at March 31, 2023</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>0-12 months</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt; 5 years</b>
<b>Non-derivative financial liabilities</b>						
Borrowings from banks	1,615.52	1,627.60	1,568.18	59.42	0.00	0.00
Finance lease liabilities	284.93	384.30	54.32	156.24	108.42	65.32
Trade payables	560.97	560.97	560.97	-	-	-
Other financial liabilities	373.83	373.83	373.83	-	-	-
<b>Total</b>	<b>2,835.25</b>	<b>2,946.70</b>	<b>2,557.30</b>	<b>215.66</b>	<b>108.42</b>	<b>65.32</b>

### 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.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

All amounts in respective currencies as mentioned (in millions)

The Company's exposure to foreign currency risk as at March 31, 2024 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	3.46	(2.05)	(0.03)	0.02	1.40
GBP	0.01	3.17	(0.04)	-	0.50	3.64
EUR	0.00	1.15	(2.69)	(0.20)	-	(1.74)
SGD	0.00	-	-	-	-	0.00
HKD	0.00	-	-	-	-	0.00
SEK	-	-	-	-	0.30	0.30
LKR	0.04	-	-	-	-	0.04

The Company's exposure to foreign currency risk as at March 31, 2023 was as follows:

	Cash and cash equivalents	Trade receivables	PCFC Accounts	Buyers Credit & Creditors	Foreign currency loans and Advances	Net Balance Sheet exposure
USD	-	2.53	(0.56)	(0.03)	0.02	1.95
GBP	0.00	0.81	-	-	0.48	1.29
EUR	0.00	0.99	(4.36)	(0.46)	0.05	(3.79)
CHF	-	-	-	-	0.00	0.00
RUB	-	28.10	-	-	-	28.10

A 10% weakening of the rupee against the respective currencies as at March 31, 2024 and 2023 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 2023.

	Other comprehensive income	Profit/(loss)
March 31, 2024	-	34.55
March 31, 2023	-	(1.69)

A 10% strengthening of the rupee against the above currencies as at March 31, 2024 and 2023 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:

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

	Carrying amount	
	March 31, 2024	March 31, 2023
<b>Fixed rate instruments</b>		
Financial assets		
- Fixed deposits with banks	4.51	42.24
Financial liabilities		
- Borrowings from banks	9.18	130.72
- Borrowings from others	-	-
<b>Variable rate instruments</b>		
Financial liabilities		
- Borrowings from banks	1,014.98	1,484.80

### 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 2021.

	Equity	Profit or (loss)
March 31, 2024	-	(10.15)
March 31, 2023	-	(14.85)

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 2024

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
841.12	3,819.13	April 2024 to March 2025	1:1	Euro- 92.25 GBP- 98.52 USD- 63.01	(12.84)	(12.84)

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### Cash flow Hedge - Foreign Exchange forward Contracts - March 2023

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
423.19	3,973.93	April 2023 to March 2024	1:1	Euro- 86.09 GBP- 98.52 USD- 63.01	110.49	110.49

\*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, 2024

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	(96.70)	(26.63)	110.85	Revenue

As at March 31, 2023

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	110.85	97.41	(11.45)	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 2024 and March 2023 refer note 2.9

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### Movement in cash flow hedging reserve

Derivative instrument	Foreign exchange forward contracts	Derivative instrument	Foreign exchange forward contracts
Cash flow hedge reserve as of April 1, 2022	8.57	Cash flow hedge reserve as of April 1, 2023	(82.95)
Less: Amount transferred to statement of profit & loss	(11.45)	Less: Amount transferred to statement of profit & loss	110.85
Add: Changes in discounted spot element of foreign exchange contracts/ new contracts entered during the year	(110.85)	Add: Changes in discounted spot element of foreign exchange contracts/ new contracts entered during the year	96.70
Less: Deferred tax on the above movement	30.78	Less: Deferred tax on the above movement	(52.24)
<b>As of March 31, 2023</b>	<b>(82.95)</b>	<b>As of March 31, 2024</b>	<b>72.36</b>

### 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, 2024 is Rs. 7,790.04 Millions (Previous Year: Rs. 6,750.67) Millions.

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, 2024	As at March 31, 2023
<b>Debt</b>		1,279.89	1,900.45
Less: cash and cash equivalent (Including bank balances)		(601.26)	(513.06)
Net debt	A	<b>678.63</b>	<b>1,387.39</b>
Equity	B	<b>7,790.04</b>	<b>6,750.67</b>
Net debt to Equity ratio	A/B	9%	21%

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

3.11 Contingent liabilities and commitments (to the extent not provided for)	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(i) Contingent liabilities</b>		
a. Employee State Insurance (ESI) demand The company has received the demand from ESI for an amount of Rs. 6.40 million along with interest of Rs. 3.97 million and the company has deposited 25% (Rs. 1.60 million) and has filed an appeal against the demand before the labour court.	10.37	-
b. Outstanding export obligations for EPCG license	52.31	328.12
<b>(ii) a. Capital Commitments</b>		
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.	107.74	124.03
<b>b. Other Commitments</b>		
The Company has given corporate guarantees to Banks on behalf of S.P. Apparels UK (P) Ltd and S.P. Retail Ventures Limited.	415.29	463.74
<b>3.12 Details of leasing arrangements</b>		
<b>(i) Finance lease obligation relating to Vehicles</b>		
<b>Reconciliation of minimum lease payments</b>		
Future minimum lease payments for a period of not later than one year	-	0.30
later than one year and not later than five years	-	-
later than five years	-	-
	-	0.30
Less: Unmatured finance charges	-	-
Present value of minimum lease payments payable not later than one year	-	0.30
later than one year and not later than five years	-	-
later than five years	-	-
<b>(ii) Operating lease arrangements</b>		

The rental expenses towards operating lease is charged to statement of profit & loss amount of Rs. 49.44 Millions (for the year ended March 31, 2023 Rs. 50.12 Millions). Some of the lease agreements have escalation clause ranging from 5 % to 15%. There are no exceptional / restrictive covenants in the lease agreements.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 3.13 Reconciliation of liabilities from financing activities for the year ended March 31, 2024

#### Long term borrowings\*

Particulars	As at April 1, 2023	Accepted	Repayment	Fair Value Changes	As at March 31, 2024
Borrowings from banks	130.72	-	(121.54)	-	9.18
Borrowings from others	0.00	-	-	-	0.00
Finance lease liabilities	284.93	-	(54.23)	25.03	255.73
<b>Total</b>	<b>415.65</b>	<b>-</b>	<b>(175.77)</b>	<b>25.03</b>	<b>264.91</b>

\*Including current maturities

#### Short term borrowings

Particulars	As at April 1, 2023	Cash Flows	Forex exchange movement	As at March 31, 2024
Working capital facilities	1,484.80	(453.10)	(16.72)	1,014.98
<b>Total</b>	<b>1,484.80</b>	<b>(453.10)</b>	<b>(16.72)</b>	<b>1,014.98</b>

### Reconciliation of liabilities from financing activities for the year ended March 31, 2023

#### Long term borrowings\*

Particulars	As at April 1, 2022	Accepted	Repayment	Fair Value Changes	As at March 31, 2023
Borrowings from banks	513.43	-	(382.71)	-	130.72
Borrowings from others	0.39	-	(0.39)	-	0.00
Finance lease liabilities	312.83	27.79	(55.69)	-	284.93
<b>Total</b>	<b>826.65</b>	<b>27.79</b>	<b>(438.79)</b>	<b>-</b>	<b>415.65</b>

\*Including current maturities

#### Short term borrowings

Particulars	As at April 1, 2022	Cash Flows	Forex exchange movement	As at March 31, 2023
Working capital facilities	1,220.17	255.25	9.38	1,484.80
<b>Total</b>	<b>1,220.17</b>	<b>255.25</b>	<b>9.38</b>	<b>1,484.80</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 3.14 Dues to micro and small enterprises

As per the Office memorandum issued by the Ministry of Micro, Small and Medium Enterprises dated August 26, 2008 recommends that the Micro and Small Enterprises should mention in their correspondence with its customer the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro ,Small and Medium Enterprises Development Act,2006' ('the Act').Accordingly, disclosure in respect of amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 has been made in financial statements based on the information received and available with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
a. The principal amount and interest due thereon remaining unpaid at the end of the accounting year	82.17	130.82
b. The amount of interest paid by the buyer beyond the appointed day during the accounting year	-	-
c. Principal amounts and interest due thereon unpaid beyond the appointed day at the end of the accounting year.	0.19	41.31
d. 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	-	-
e. The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f. 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 Acquisition of Young Brand Apparel Private Limited, the subsidiary of Bannari Amman Spinning Mills Limited

The Company has signed an definitive agreement to acquire 100 percent stake of Young Brand Apparel Private Limited (YBAPL), the subsidiary of Bannari Amman Spinning Mills Limited along with certain fixed assets in the garment unit situated at Palladam of Bannari Amman Spinning Mills Limited and land and building situated at Perundurai SIPCOT (The State Industries Promotion Corporation of Tamil Nadu Limited) for a value of Rs. 2,230 millions. The proposal is subject to necessary statutory, regulatory and other compliance & approvals. During the year, the Company has paid advance of INR 325 Million towards consideration.



## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 3.16 Related party transaction

Name of Related Party	Nature of Relationship
<b>Key Managerial Personnel</b>	
P.Sundararajan	Managing Director
S.Latha	Executive Director (Wife of Mr.P.Sundararajan)
S.Chenduran	Joint Managing Director (Son of Mr.P.Sundararajan)
S.Shantha	Joint Managing Director (daughter of Mr.P.Sundararajan)
P.Jeeva	Chief Executive Officer (Garment Division)
V.Balaji	Chief Financial Officer
K.Vinodhini	Company Secretary
<b>Subsidiary</b>	
Crocodile Products Private Limited	Subsidiary Company
S.P. Apparels UK (P) Limited	Subsidiary Company
S.P.Retail Ventures Limited	Subsidiary Company
<b>Enterprises owned by key Managerial Personnel</b>	
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.Lifestyles	Enterprise over which Key Managerial Personnel are able to exercise significant influence
SP Superfine Cotton Mills Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence

Note:

Related party relationships are as identified by the Management.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Details of transactions with related parties - During the year ended March 31, 2023 and Balances outstanding at March 31, 2023

Nature	Particulars	Subsidiary Companies				Key Managerial Personnel *										
		Crocodile Products Pvt Ltd		S. P. Apparels UK (P) Ltd		S.P.Retail Ventures Limited		Mr.P.Sundararajan		Mrs. S.Latha		Mr.S.Chenduran		Mrs. S.Shantha		
		31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024
	Sale of Goods & Service					0.27	2.22									
	Interest Income		1.86	1.83	9.68	0.91										
	Purchase of Goods & services															
Trans-action Details	Purchase of Land					21.00	-									
	Remuneration					24.00	22.00	19.20	17.20	15.00	13.00	1.20	0.70			
	Lease Rent Paid					19.58	18.41	2.88	2.88	-	-					
	Investment made					-	540.00									
Loans & Advances	Given		31.82	-	170.00	100.12										
	Received		31.82		-	100.27										
	Remuneration payable					4.22	0.40			0.18	0.18	0.07	0.07			
	Lease Rent payable					-	-	-	-	-	-					
	Lease Rent security deposit					74.32	24.32	0.78	0.78							
	Un secured Loan															
	Trade Payables					-	0.28									
Out-standing Balances	Trade Receivables	71.30			3.13	2.99										
	Investment in Equity Shares	63.74	63.74	15.75	1.00	1.00										
	Investment in preference Shares				540.00	540.00										
	Loans & Advances Given	-	-	52.33	48.93	170.00	-									
	Advances Paid -Land purchase											28.71				

\* Note: As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Details of transactions with related parties - During the year ended March 31, 2023 and Balances outstanding at March 31, 2023

Nature	Particulars	Subsidiary Companies				Key Managerial Personnel *			
		Poornam Enterprises Pvt Ltd.	S.P.Lifestyles	S.P.Superfine P Ltd	Ms. P.V.Jeeva	Mr.V.Balaji	Ms. K.Vinothini		
		31-03-2024	31-03-2024	31-03-2023	31-03-2024	31-03-2024	31-03-2023	31-03-2024	31-03-2023
	Sale of Goods & Service		4.65		31.50	0.00			
	Interest Income								
	Purchase of Goods & services		6.21			0.00			
	Purchase of Land								
Trans-action Details	Remuneration							3.20	1.16
	Lease Rent Paid				55.20	55.20		6.46	6.27
	Investment made								
	Loans & Advances								
	Given				36.52	16.21			
	Received				20.97	19.12			
	Remuneration payable								
	Lease Rent payable								
	Lease Rent security deposit	80.00			50.00	50.00			
	Un secured Loan								
	Trade Payables		0.00		11.39	2.43			
Out-standing Balances	Trade Receivables	0.67	1.72		31.50	0.00			
	Investment in Equity Shares								
	Investment in preference Shares								
	Loans & Advances Given					0.00			
	Advances Paid -Land purchase					0.00			

\* Note: As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### 3.17 Additional Regulatory Information:

(i) Title deeds of Immovable Properties not held in name of the Company:

The company does not have the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) of which title deeds not held in the name of the company.

(ii) The Company does not have the investment property to disclose as to whether the fair value of such investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(iii) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

(iv) The Company has not revalued its Intangible assets.

(v) The Company has not granted any loans or advances in the nature of loans granted to any promoters, directors, KMPs and the related parties (as defined in the Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayments, except for one loan to a subsidiary amounting to INR 170 Million which is repayable on demand.

(vi) Capital-Work-in Progress (CWIP) aging schedule:

As at March 31, 2024					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	162.59	24.88	-	-	187.47
As at March 31, 2023					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	98.67	-	-	-	98.67

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable

(vii) Details of Benami Property held:

No proceedings has been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(viii) Wilful Defaulter:

The company is not declared as wilful defaulter by any bank or financial institution other lender.

(ix) Relationship with Struck off Companies:

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(x) Registration of Charges or satisfaction with Registrar of Companies (ROC):

X.The Company has made borrowings from banks on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of account.

(xi) Compliance with number of layers of companies:

The Company has no layers as stipulated under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

### (xii) Key Ratios

Ratio	Explanation - Numerator	Explanation-Denominator	FY 2023-24	FY 2022-23	% Variance	Remarks
Current Ratio	Current assets	Current Liabilities	2.26	1.68	34.52%	Due to decrease in short term borrowings
Debt Equity Ratio	Total Debt = Total of current and non-current term loans and lease liabilities	Shareholder's funds	0.16	0.28	-42.86%	Due to repayment of loan during the year
Debt service coverage ratio	Earning for Debt Service= Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets	Debt service = Interest & Lease Payments + Principal Repayments	6.00	2.89	107.61%	Due to increase in net operating income during the year
Return on equity ratio	Net Profits after taxes - Preference dividend	Average Shareholder's Equity ((Opening+Closing)/2)	4.14	3.62	14.36%	
Inventory Turn-over ratio	COGS = Purchase of stock-in-trade+ Change in Inventory	Average inventory is ((Opening + Closing balance) / 2)	1.53	1.43	6.99%	
Trade receivables turnover ratio	Sales (Considered inclusive of GST since debtors includes GST)	Average receivables is ((Opening + Closing balance) / 2)	15.00	18.08	-17.04%	
Trade payables turnover ratio	Net Credit Purchases=Cost of services rendered+Purchase of stock-in-trade+Changes in inventories+Employee benefits expense - ESOP expenses	Average payables is ((Opening + Closing balance) / 2)	10.00	8.74	14.42%	

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Ratio	Explanation - Numerator	Explanation-Denominator	FY 2023-24	FY 2022-23	% Variance	Remarks
Net capital turnover ratio	Net Sales	Average Working capital = ((Opening + Closing balance) / 2)	1.18	1.26	-6.35%	
Net profit ratio	Net Profit after tax	Net sales	0.11	0.10	10.00%	
Return on capital employed	Net profit before Interest and taxes	Capital Employed = Shareholder funds + Total Debt + Deferred Tax Liability	0.18	0.18	0.00%	
Return on Investment	Investment Income	Total Investments	0.25	0.02	1150.00%	Due to investments liquidated during the year and investment income received during the year

### (xiii) Compliance with approved Scheme(s) of Arrangements:

The Company has not entered into any arrangements which requires approval from the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.

### (xiv) Utilisation of Borrowed funds and share premium:

(A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(xv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period.

## D. NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

- (xvi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xvii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

As per our report of event date at-  
tached

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**D K Giridharan**  
Partner, Membership No. : 028738

Place : Chennai  
Date : May 21, 2024

For and on behalf of the Board of Directors

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Avinashi  
Date : May 21, 2024

# INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of S.P.Apparels Limited

Report on the Audit of the Consolidated Ind AS 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, 2024, and the consolidated statement of profit and loss (including other comprehensive income), and the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

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 Standards prescribed 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, 2024, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the consolidated 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 Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our 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.



## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Sr No	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition</b></p> <p>The Holding Company's revenue is derived primarily from sale of goods (Exports of Garments). Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations as per the terms agreed with the customer by the Company</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policies of the company with relevant accounting standards.</li> <li>Evaluated the design, implementation and tested the operating effectiveness of the internal controls in relation to timing of revenue recognition.</li> <li>We performed detailed transaction testing by selecting samples of revenue transactions recorded during the year and around the year end date.</li> <li>We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, evidence of delivery, FCR's (customer acceptances), shipping documents and subsequent receipts.</li> </ul>
2.	<p><b>Inventories</b></p> <p>The total value of inventory in Holding Company as of March 31, 2024, amounted to INR 2,147.59 Million. representing 20% of the total assets.</p> <p>We considered this as a Key Audit Matter considering the significance of the balance, and the valuation involved.</p>	<ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policies of the company with relevant accounting standards.</li> <li>Evaluated the design, implementation and tested the operating effectiveness of the Key internal controls over the valuation of inventories being considered by the management.</li> <li>Observed the physical verification of inventories on a sample basis across locations.</li> <li>Verified the valuation of Raw materials, WIP and Finished Goods on sample basis and ensured the valuations/assumptions are reasonable and in line with the accounting policies/generally accepted accounting principles.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance report, but does not include the consolidated financial statements, and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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 in the audit or otherwise appears to be materially misstated.

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

When we read the additional information, as mentioned above, that would be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe appropriate actions as applicable under the relevant laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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, including other comprehensive income, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 each Company.

### 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 the management.

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- Conclude on the appropriateness of the management and Board of Directors 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.
- Materiality is the magnitude of misstatement in the consolidated financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 misstatement in the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial statements/ financial information of such entities 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/ financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities 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. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 two subsidiaries, whose financial statements reflect total assets (before consolidated adjustments) of Rs.1,139.70 million as at March 31, 2024, total revenue (before consolidated adjustments) of Rs. 854.64 million, total net loss before tax of INR 142.82 Mn and net cash flows (before consolidated adjustments) amounting to Rs.(4.12) Mn million for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the 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 sub-section (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 auditors.

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

b) The financial statements/ financial information of one subsidiary, whose financial statements/ financial information reflect total assets (before consolidated adjustments) of Rs. 658.32 million as at March 31, 2024, total revenue (before consolidated adjustments) of Rs. 571.61 million, total net loss before tax of INR 37.72 Mn and net cash flows (before consolidated adjustments) amounting to Rs. 64.58 million for the year then ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. This unaudited financial statements/ financial information 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 the this subsidiary and our report in term of sub-section (3) of section 143 of the Act, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement/ financial information is 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 and other financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

1. According to the information and explanations given to us and copies of audited financial statements of companies incorporated in India and included in the consolidated financial statements as made available to us by the management and relied upon by us, there are no qualifications or adverse remarks made by the respective component auditors in their reports in the Companies (Auditor Report) Order (CARO).
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) 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 statement of cash flows dealt with by this Report are in agreement with the 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;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of its Group Companies incorporated in India, is disqualified as on March 31, 2024 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanation give to us and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of section 197 read with Schedule V of the Act, and

(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, 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 such subsidiaries as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2024 on the consolidated financial position of the Group. Refer Note No. 3.11 to the consolidated financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India
- iv. (a) The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively, that, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable. The subsidiary companies incorporated in India, has neither declared nor paid dividend during the year.

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, the Holding company and its subsidiaries incorporated in India have accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the

same has operated throughout the year for all relevant transactions recorded in the software except for the following instance.

In case of one subsidiary company, the Company has used accounting software for maintaining its books and such accounting software does not have a feature of recording audit trail (edit log) facility and the same has not operated throughout the year for all relevant transactions recorded in the software

During the course of performing our audit procedures and that performed by the respective auditor of a subsidiaries, except for the aforesaid instance of audit trail not maintained where the

question of our commenting on whether the audit trail has been tampered with does not arise, we and the respective auditor of a aforesaid subsidiary, did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

**D K Giridharan**

Partner

Membership No: 028738

UDIN: 24028738BKCXFA1550

Place : Chennai

Date : May 21, 2024

## 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, 2024**

**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 March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of S.P. Apparels Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are the companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls 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 (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 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 Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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 ICAI and the Standards on

Auditing. 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 applicable to an audit of Internal Financial Controls and, 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 with reference to consolidated financial statement 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that(1) pertain to the maintenance of records that,

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

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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place : Chennai

Date : May 21, 2024

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements, in so far as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

**For ASA & Associates LLP**

Chartered Accountants

Firm Registration No: 009571N/N500006

**D K Giridharan**

Partner

Membership No: 028738

UDIN: 24028738BKCF1550



## CONSOLIDATED BALANCE SHEET

As at March 31, 2024

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

Particulars	“Note No” D	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1 Non Current Assets</b>			
a. Property, Plant and Equipment	1.1	4,212.30	4,223.70
b. Capital Work-In-Progress	1.1	187.47	98.67
c. Right of Use Assets	1.1	264.74	304.42
d. Intangible Assets	1.1	62.08	58.79
e. Intangible Assets under Development	1.1	-	3.36
		<b>4,726.59</b>	<b>4,688.94</b>
f. Financial Assets			
- Investments	1.2	11.87	404.15
- Loans and Advances	1.3	4.95	3.09
- Other Financial Assets	1.4	476.23	210.80
g. Other Non Current Assets	1.5	185.13	10.13
<b>Total Non Current Assets</b>		<b>5,404.77</b>	<b>5,317.11</b>
<b>2 Current Assets</b>			
a. Inventories	1.6	2,649.95	2,969.14
b. Financial Assets			
- Investments	1.7	502.78	726.24
- Trade Receivables	1.8	1,651.77	1,047.31
- Cash and Cash Equivalents	1.9A	787.98	601.64
- Bank Balances other than (1.9A) above	1.9B	4.55	42.24
- Other Financial Assets	1.10	12.84	-
c. Other current assets	1.11	401.77	266.88
<b>Total Current Assets</b>		<b>6,011.64</b>	<b>5,653.45</b>
<b>Total Assets</b>		<b>11,416.41</b>	<b>10,970.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share capital	1.12	250.93	250.93
b. Other Equity	1.13	7,385.49	6,485.18
		<b>7,636.42</b>	<b>6,736.11</b>
<b>Minority Interest</b>			
		(64.38)	(64.97)
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a. Financial Liabilities			
- Borrowings	1.14	55.54	110.55
- Lease Liabilities	1.15	255.73	284.64
- Other Financial liabilities	1.16	86.06	106.13
b. Deferred tax liabilities (net)	1.17	294.42	291.36
c. Other non-current liabilities	1.18	0.54	0.22
<b>Total Non Current Liabilities</b>		<b>692.29</b>	<b>792.90</b>

## CONSOLIDATED BALANCE SHEET

As at March 31, 2024

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

Particulars	“Note No” D	As at March 31, 2024	As at March 31, 2023
<b>2 Current liabilities</b>			
a. Financial Liabilities			
- Borrowings	1.19	1,722.91	2,051.37
- Lease Liabilities	1.20	-	0.29
- Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	1.21	163.29	217.73
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		824.07	773.36
- Other Financial liabilities	1.22	235.00	312.13
b. Other current liabilities	1.23	113.79	79.86
c. Provisions	1.24	93.02	71.78
<b>Total Current Liabilities</b>		<b>3,152.08</b>	<b>3,506.52</b>
<b>Total Equity and Liabilities</b>		<b>11,416.41</b>	<b>10,970.56</b>

Material accounting policies and notes to the consolidated financial statements (Refer notes C and D)

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

For and on behalf of the Board of Directors

As per our report of event date attached

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

**D K Giridharan**  
Partner, Membership No. : 028738

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2024

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

Particulars	“Note No” D	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>INCOME</b>			
1 Revenue from operations	2.1	10,873.55	10,808.55
2 Other Income	2.2	163.17	200.36
<b>3 Total Income(1+2)</b>		<b>11,036.72</b>	<b>11,008.91</b>
<b>4 EXPENSES</b>			
Cost of materials and services consumed	2.3	3,227.91	3,568.09
Purchases of Stock-in-Trade - Traded goods	2.4	980.41	1,314.64
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.5	304.26	(25.04)
		<b>4,512.58</b>	<b>4,857.69</b>
Employee benefits expense	2.6	2,607.78	2,386.69
Finance costs	2.7	186.99	186.19
Depreciation and amortisation expense	2.8	377.54	361.53
Other expenses	2.9	2,175.43	2,109.17
<b>Total Expenses</b>		<b>9,860.32</b>	<b>9,901.27</b>
<b>5 Net Profit for the year before tax (3-4)</b>		<b>1,176.40</b>	<b>1,107.64</b>
<b>6 Tax Expense:</b>			
a. Current tax expense		309.78	302.37
b. Short / (Excess) provision for tax relating to prior years		(6.80)	(2.62)
c. Deferred tax		(22.83)	(17.23)
<b>Total Tax Expenses</b>		<b>280.15</b>	<b>282.52</b>
<b>7 Net Profit for the year after tax (5-6)</b>		<b>896.25</b>	<b>825.12</b>
<b>8 OTHER COMPREHENSIVE INCOME</b>			
<b>A. (i) Items that will not be reclassified to Profit or Loss</b>			
Remeasurement of Defined Benefit Plans		6.17	22.63
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(1.55)	(5.69)

Particulars	“Note No” D	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>B (i) Items that will be reclassified to Profit or Loss</b>			
The effective portion of gains and loss on hedging instruments in a cash flow hedge - Translation difference		96.70	(110.86)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(24.34)	27.90
<b>Total Other Comprehensive Income (A+B)</b>		<b>76.98</b>	<b>(66.02)</b>
<b>9 TOTAL COMPREHENSIVE INCOME BEFORE MINORITY INTEREST (7+8)</b>		<b>973.23</b>	<b>759.10</b>
<b>10 Minority Interest</b>		<b>(0.59)</b>	<b>(0.30)</b>
<b>11 TOTAL OTHER COMPREHENSIVE INCOME AFTER MINORITY INTEREST (9+10)</b>		<b>972.64</b>	<b>758.80</b>
<b>Earnings per equity share (Net profit for the year after tax / weighted average number of equity shares)</b>	3.3		
a. Basic & Diluted		35.72	32.37

Material accounting policies and notes to the consolidated financial statements (Refer notes C and D)

The accompanying notes referred to above form an integral part of the Consolidated Statement of Profit & Loss

For and on behalf of the Board of Directors

As per our report of event date attached

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

**D K Giridharan**  
Partner, Membership No. : 028738

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,176.40	1,107.64
<i>Adjustments for:</i>		
Depreciation and amortization expense	377.54	361.53
(Profit) /loss on Sale of property, plant and equipment	3.02	4.89
(Profit) /loss on Sale of investment	(104.51)	(6.67)
Interest receivable on investment	(14.12)	-
Bad debts written off	8.32	2.00
Amortisation of lease prepayments	(12.63)	(12.29)
Loss Allowance	-	(0.85)
Other Adjustments - Release of deferred Income /Sales	(27.36)	(29.74)
Finance costs	171.62	144.56
Interest income	(24.83)	(7.62)
Dividend income	(0.58)	(0.30)
Unrealised exchange (gain)/loss	(21.51)	13.32
Provision for MTM (gain)/loss on forward contracts	(26.63)	97.41
<b>Operating profits before working capital changes</b>	<b>1,504.73</b>	<b>1,673.88</b>
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	319.19	351.13
Trade receivables	(608.13)	248.02
Loans and advances/Current assets	(156.24)	147.12
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables/Other current liabilities/Provisions	67.44	11.76
<b>Cash Generated from Operations</b>	<b>1,126.99</b>	<b>2,431.91</b>
Net income tax (paid) / refunds	(334.95)	(271.86)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>792.04</b>	<b>2,160.05</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment, including capital advances	(549.79)	(518.37)
Proceeds from sale of property, plant and equipment	7.07	2.57
Advance towards acquisition of a company's business	(150.78)	-
Bank deposits not considered as cash and cash equivalents	(3.07)	30.49
Purchase of investments - Others	(960.00)	(1,428.57)
Proceeds from sale of investments - Others	1,693.29	306.67
Dividend received - Others	0.58	0.30
Interest received - Bank deposits	24.83	7.62
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>62.13</b>	<b>(1,599.29)</b>

## CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

For the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of long term borrowings	1.56	30.94
Repayment of long term borrowings	(123.83)	(411.01)
Repayment of finance lease liabilities	(53.95)	(54.03)
Net Increase/(decrease) of working capital borrowings	(244.76)	503.13
Payment towards Buy back of shares (including Expenses)	0.05	(402.69)
Dividend Paid	(75.28)	-
Finance costs	(171.62)	(144.57)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(667.83)</b>	<b>(478.23)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>186.34</b>	<b>82.53</b>
Cash and bank balances at the beginning of the year	601.64	519.08
Effect of exchange differences on restatement of foreign currency Cash and Cash Equivalents	(0.00)	0.03
<b>Cash and Cash Equivalents at the end of the year</b>	<b>787.98</b>	<b>601.64</b>
<b>Cash and Cash Equivalents at the end of the year comprises of</b>		
(a) Cash on hand	44.88	80.21
(b) Balances with banks		
in current account	643.09	213.39
in deposit account	100.00	308.03
in EEFC account	0.01	0.01
	<b>787.98</b>	<b>601.64</b>

Material accounting policies and notes to the consolidated financial statements Refer notes C and D.

The accompanying notes referred to above form an integral part of the Consolidated Statement of Cash Flows

For and on behalf of the Board of Directors

As per our report of event date attached

**For ASA & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

**D K Giridharan**  
Partner, Membership No. : 028738

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2024

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

### A. Equity Share Capital

Balance as at April 1, 2022	Change in Equity Share Capital during the year	Balance as at March 31, 2023	Change in Equity Share Capital during the year	Balance as at March 31, 2024
256.93	(6.00)	250.93	-	250.93

### 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 of foreign operation	Defined Benefit Plan	Effective portion of cash flow hedges	
<b>2022-23</b>								
Opening balance as at April 1, 2022 - (A)	2,519.94	200.00	3,471.56	90.36	3.24	7.50	(171.79)	6,120.81
Profit for the year	-	-	824.82	-	-	-	-	824.82
Other comprehensive income	-	-	-	-	2.26	16.94	(82.96)	(63.76)
<b>Total comprehensive income for the year 2022-23 - (B)</b>	-	-	824.82	-	2.26	16.94	(82.96)	761.06
Premium on issue of equity shares	(345.00)	-	-	-	-	-	-	(345.00)
Capital redemption on buyback	-	6.00	(6.00)	-	-	-	-	-
Dividend paid (Including dividend distribution tax) for 2021-22	-	-	-	-	-	-	-	-
Others Adjustments	-	-	(51.69)	-	-	-	-	(51.69)
<b>Balance as at March 31, 2023 - (C)</b>	<b>2,174.94</b>	<b>206.00</b>	<b>4,238.69</b>	<b>90.36</b>	<b>5.50</b>	<b>24.44</b>	<b>(254.75)</b>	<b>6,485.18</b>
<b>2023-24</b>								
Opening balance as at April 1, 2023 - (A)	2,174.94	206.00	4,238.69	90.36	5.50	24.44	(254.75)	6,485.18
Profit for the year	-	-	895.65	-	-	-	-	895.65
Other comprehensive income	-	-	-	-	2.91	4.62	72.36	79.89
<b>Total comprehensive income for the year 2023-24 - (B)</b>	-	-	895.65	-	2.91	4.62	72.36	975.54
Premium paid on buy back of equity shares	-	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-	-
Dividend paid (Including dividend distribution tax) for 2022-23	-	-	(75.28)	-	-	-	-	(75.28)
Others Adjustments - Expenses on buy back	-	-	0.05	-	-	-	-	0.05
<b>Balance as at March 31, 2024 - (C)</b>	<b>2,174.94</b>	<b>206.00</b>	<b>5,059.11</b>	<b>90.36</b>	<b>8.41</b>	<b>29.06</b>	<b>(182.39)</b>	<b>7,385.49</b>

Material accounting policies and notes to the consolidated financial statements (Refer notes C and D)

The notes referred to above form an integral part of the Consolidated Statement of Changes in Equity

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: May 21, 2024

For and on behalf of the Board of Directors

P.Sundararajan  
Managing Director  
DIN : 00003380

S. Latha  
Executive Director  
DIN : 00003388

V.Balaji  
Chief Financial Officer

K. Vinodhini  
Company Secretary

Place: Avinashi  
Date: May 21, 2024

## Basis of Consolidation and Significant Accounting Policies

### Forming part of the consolidated 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], S.P. Retail Ventures Limited 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 21 manufacturing plants at Avinashi, Kovilpatti, Neelambur, Palangarai, Palladam, Perundurai, Valapady, Samichettipalayam, Sathyamangalam, Sulthanpet, Thekkalur, Netaji Apparel Park, Patlur and Annur. 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 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 on-going 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, 2024 have been prepared in accordance with Ind AS as notified above duly approved by the Board of Directors at its meeting held on May 21, 2024.

#### 2. Basis of Measurement

The consolidated 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.



## Basis of Consolidation and Significant Accounting Policies

### Forming part of the consolidated financial statements

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

##### A. Issued and effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

##### Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

##### Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

##### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies

require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

##### B. Issued and not effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

#### 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, Indian subsidiary Crocodile Products Private Limited and S.P. Retail Ventures Limited. The GBP Pound Sterling (£) 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.

## Basis of Consolidation and Significant Accounting Policies

### Forming part of the consolidated financial statements

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

#### 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. MATERIAL 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:

## Basis of Consolidation and Significant Accounting Policies (Contd.)

Forming part 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, 2024	March 31, 2023
Crocodile Products Private Limited	Subsidiary	India	S.P. Apparels Limited	70%	70%
S.P. Retail Ventures Limited	Subsidiary	India	S.P. Apparels Limited	100%	100%
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

##### (i) Classification of financial assets

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, the contractual terms of the cash flows and whether the investment meets the definition of interest in associates and joint ventures. 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. Investments forming part of interest in associates and joint ventures are measured at cost.

##### (ii) Measurements:

At initial recognition, the Group measures a financial asset at its fair value plus except for trade receivables

## Basis of Consolidation and Significant Accounting Policies (Contd.)

### Forming part of the consolidated financial statements

which are initially measured at transaction price. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### - Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- a) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- b) **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ other expenses in the period in which it arises. Interest income from these financial assets is included in other income.

#### - Equity instruments

The Group subsequently measures all equity investments other than investments forming part of interest in associates and joint ventures at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's

right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ other expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### (iii) Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at cost and amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer notes to accounts for the details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (iv) Derecognition of financial assets:

A financial asset is derecognised only when

- a) The Group has transferred the rights to receive cash flows from the financial asset or
- b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## Basis of Consolidation and Significant Accounting Policies (Contd.) Forming part of the consolidated financial statements

### (v) Income recognition

#### a) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### b) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

### 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.

## Basis of Consolidation and Significant Accounting Policies (Contd.)

### Forming part of the consolidated financial statements

#### 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 effective 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 instrument 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.

#### 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

## Basis of Consolidation and Significant Accounting Policies (Contd.)

### Forming part of the consolidated financial statements

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, 2024 and 2023 were as follows:

	Estimated useful life (in years)	Useful life prescribed by Schedule II (in years)
Plant & Machinery	20 years	15 years
Computers & Servers	5 years	3 to 6 years
Buildings - others	30 years	30 years

## Basis of Consolidation and Significant Accounting Policies (Contd.)

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	Estimated useful life (in years)	Useful life prescribed by Schedule II (in 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



## **Basis of Consolidation and Significant Accounting Policies (Contd.)** Forming part of the consolidated financial statements

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

## Basis of Consolidation and Significant Accounting Policies (Contd.) Forming part of the consolidated financial statements

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.

## Basis of Consolidation and Significant Accounting Policies (Contd.)

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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 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. Interest Income and Finance Cost

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.

## Basis of Consolidation and Significant Accounting Policies (Contd.) Forming part of the consolidated financial statements

### 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

## Basis of Consolidation and Significant Accounting Policies (Contd.) Forming part of the consolidated financial statements

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) 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.

## Basis of Consolidation and Significant Accounting Policies (Contd.)

### Forming part of the consolidated financial statements

#### (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. Cash flow Statements

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

#### 20. 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.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 1.1 PROPERTY, PLANT AND EQUIPMENTS

The following table presents the changes in property, plant and equipment during the year ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	Accumulated Depreciation As at April 01, 2023	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2024	Net Block As at March 31, 2024	Net Block As at March 31, 2023
(a) Land										
Freehold	132.06	84.29	4.44	211.91	-	-	-	-	211.91	132.06
As at April 1, 2016	(5.77)	(0.58)	-	(6.35)	-	-	-	-	(6.35)	(6.35)
(b) Buildings	2,586.23	97.20	0.40	2,683.03	832.24	82.63	-	914.87	1,768.16	1,753.99
As at April 1, 2016	(1,528.32)	(15.00)	-	(1,543.32)	(381.82)	(50.26)	-	(432.08)	(1,111.24)	(1,111.24)
(c) Plant & Equipment	3,434.42	54.38	15.59	3,473.21	1,655.95	155.67	12.56	1,799.06	1,674.15	1,778.47
As at April 1, 2016	(2,217.47)	(225.78)	(11.26)	(2,431.99)	(884.73)	(97.39)	(5.49)	(976.63)	(1,455.36)	(1,455.36)
(d) Electrical Installations	374.69	28.80	14.45	389.04	192.95	33.53	12.83	213.65	175.39	181.74
As at April 1, 2016	(100.82)	(49.49)	-	(150.31)	(43.47)	(12.18)	-	(55.65)	(94.66)	(94.66)
(e) Furniture & Fittings	366.08	40.13	1.90	404.31	192.05	23.21	1.81	213.45	190.86	174.03
As at April 1, 2016	(145.93)	(52.65)	(0.21)	(198.37)	(72.22)	(15.74)	(0.10)	(87.86)	(110.51)	(110.51)
(f) Vehicles	69.81	3.20	-	73.01	31.41	4.81	-	36.22	36.79	38.40
As at April 1, 2016	(43.65)	(15.48)	(0.84)	(58.29)	(26.36)	(4.37)	-	(30.73)	(27.56)	(27.56)
(g) Lab Equipments	41.06	1.45	-	42.51	21.19	2.99	-	24.18	18.33	19.87
As at April 1, 2016	(10.19)	(0.10)	-	(10.29)	(8.50)	(0.55)	-	(9.05)	(1.24)	(1.24)
(h) Office Equipments	238.08	13.40	6.60	244.88	142.52	15.02	5.91	151.63	93.25	95.56
As at April 1, 2016	(125.70)	(20.21)	(0.29)	(145.62)	(72.59)	(10.39)	(0.13)	(82.85)	(62.77)	(62.77)
(i) Computers	229.78	11.19	0.59	240.38	180.20	17.23	0.51	196.92	43.46	49.58
As at April 1, 2016	(127.60)	(32.29)	(2.98)	(156.91)	(103.43)	(8.37)	(2.84)	(108.96)	(47.95)	(47.95)
<b>Total</b>	<b>7,472.21</b>	<b>334.04</b>	<b>43.97</b>	<b>7,762.28</b>	<b>3,248.51</b>	<b>335.09</b>	<b>33.62</b>	<b>3,549.98</b>	<b>4,212.30</b>	<b>4,223.70</b>
<b>As at April 1, 2016</b>	<b>(4,305.45)</b>	<b>(411.58)</b>	<b>(15.58)</b>	<b>(4,701.45)</b>	<b>(1,593.12)</b>	<b>(199.25)</b>	<b>(8.56)</b>	<b>(1,783.81)</b>	<b>(2,917.64)</b>	<b>(2,917.64)</b>

Note:

- (1) Leasehold land and vehicles transferred to right of use asset as per IND AS 116 with effect from April 1, 2019.
- (2) 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 deemed cost as on April 1, 2016 of those Property, Plant and Equipment are given in brackets.
- (3) Refer note on capital commitment & Security for the borrowings.
- (4) During financial year 23-24, 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. CAPITAL WORK IN PROGRESS

The following table presents the changes in capital work in progress during the year ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Deletions	As at March 31, 2024
Capital work in progress	98.67	196.06	107.26	187.47
<b>Total</b>	<b>98.67</b>	<b>196.06</b>	<b>107.26</b>	<b>187.47</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 1.1. RIGHT OF USE ASSETS

The following table presents the changes in right of use assets during the period ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	Accumulated Depreciation As at April 01, 2023	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2024	Net Block As at March 31, 2024	Net Block As at March 31, 2023
(a) Land Lease Hold	13.53 (13.53)	-	-	13.53 (13.53)	2.06 (1.93)	0.13 (0.13)	-	2.19 (2.06)	11.34 (11.47)	11.47 (11.60)
(b) Vehicle Leasehold	34.46 (34.46)	-	-	34.46 (34.46)	21.73 (18.40)	3.09 (3.33)	-	24.82 (21.73)	9.64 (12.73)	12.73 (16.06)
(c) Building and Land rent - SP Superfine	334.67 (334.67)	-	-	334.67 (334.67)	121.08 (90.81)	30.27 (30.27)	-	151.35 (121.08)	183.32 (213.59)	213.59 (243.86)
(d) Land rent - MD and ED	53.42 (53.42)	-	-	53.42 (53.42)	7.80 (5.85)	1.95 (1.95)	-	9.75 (7.80)	43.67 (45.62)	45.62 (47.57)
(e) Lease Prepayment	45.21 (45.21)	2.96	1.92	46.25 (45.21)	24.20 (16.59)	6.84 (7.61)	1.56	29.48 (24.20)	16.77 (21.01)	21.01 (12.82)
Total	481.29 (481.29)	2.96	1.92	482.33 (481.29)	176.87 (133.58)	42.28 (43.29)	1.56	217.59 (176.87)	264.74 (304.42)	304.42 (331.91)

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, 2024

Particulars	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	Accumulated Amortisation As at April 01, 2023	Amortisation for the year	Disposals	Accumulated Amortisation As at March 31, 2024	Net Block As at March 31, 2024	Net Block As at March 31, 2023
(a) Goodwill	40.16 (40.16)	-	-	40.16 (40.16)	40.16 (33.36)	- (6.80)	-	40.16 (40.16)	-	-
(b) Brand / Trade Marks	17.06 (17.26)	2.16	-	19.22 (17.26)	17.06 (14.50)	0.07 (1.25)	-	17.13 (15.75)	2.09 (1.51)	- (1.51)
(c) Software	4.09	1.20	-	5.29	3.98	-	-	3.98	1.31	0.11
As at April 1, 2016	-	(4.09)	-	(4.09)	-	(0.19)	-	(0.19)	(3.90)	(3.90)
(d) Goodwill on Consolidation	58.68	-	-	58.68	-	-	-	-	58.68	58.68
As at April 1, 2016	(58.68)	-	-	(58.68)	-	-	-	-	(58.68)	(58.68)
Total	119.99 (116.10)	3.36 (4.09)	-	123.35 (120.19)	61.20 (47.86)	0.07 (8.24)	-	61.27 (56.10)	62.08 (64.09)	58.79 (64.09)

Note: The company has elected to continue with the carrying amount of intangible assets 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 deemed cost as on April 1, 2016 of those intangible assets are given in brackets.

### 1.1. INTANGIBLE ASSETS UNDER DEVELOPMENT

The following table presents the changes in capital work in progress during the year ended March 31, 2024

Particulars	As at April 01, 2023	Additions	Deletions	As at March 31, 2024
Intangible Assets under developments	3.36	-	3.36	-
Total	3.36	-	3.36	-



## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 1.1 PROPERTY, PLANT AND EQUIPMENTS

The following table presents the changes in property, plant and equipment during the year ended March 31, 2023

Particulars	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	Accumulated Depreciation As at April 01, 2022	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2023	Net Block As at March 31, 2023	Net Block As at March 31, 2022
(a) Land										
Freehold	83.38	48.68	-	132.06	-	-	-	-	132.06	83.38
As at April 1, 2016	(5.77)	(0.58)	-	(6.35)	-	-	-	-	(6.35)	(6.35)
Buildings	2,481.94	105.00	0.71	2,586.23	752.05	80.44	0.25	832.24	1,753.99	1,729.89
As at April 1, 2016	(1,528.32)	(15.00)	-	(1,543.32)	(381.82)	(50.26)	-	(432.08)	(1,111.24)	(1,111.24)
Plant & Equipment	3,323.54	131.81	20.93	3,434.42	1,520.73	152.07	16.85	1,655.95	1,778.47	1,802.81
As at April 1, 2016	(2,217.47)	(225.78)	(11.26)	(2,431.99)	(884.73)	(97.39)	(5.49)	(976.63)	(1,455.36)	(1,455.36)
Electrical Installations	345.35	32.82	3.48	374.69	163.55	31.46	2.06	192.95	181.74	181.80
As at April 1, 2016	(100.82)	(49.49)	-	(150.31)	(43.47)	(12.18)	-	(55.65)	(94.66)	(94.66)
Furniture & Fittings	324.61	47.68	6.21	366.08	178.57	19.23	5.75	192.05	174.03	146.04
As at April 1, 2016	(145.93)	(52.65)	(0.21)	(198.38)	(72.22)	(15.74)	(0.10)	(87.86)	(110.52)	(110.52)
Vehicles	34.25	35.56	-	69.81	30.08	1.33	-	31.41	38.40	4.17
As at April 1, 2016	(43.65)	(15.48)	(0.84)	(58.29)	(26.36)	(4.37)	-	(30.73)	(27.56)	(27.56)
Lab Equipments	41.06	-	-	41.06	18.22	2.97	-	21.19	19.87	22.84
As at April 1, 2016	(10.19)	(0.10)	-	(10.28)	(8.50)	(0.55)	-	(9.05)	(1.23)	(1.23)
Office Equipments	218.97	26.49	7.38	238.08	135.74	13.43	6.65	142.52	95.56	83.23
As at April 1, 2016	(125.70)	(20.21)	(0.29)	(145.62)	(72.59)	(10.39)	(0.13)	(82.85)	(62.77)	(62.77)
Computers	219.49	16.37	6.08	229.78	168.59	17.47	5.86	180.20	49.58	50.90
As at April 1, 2016	(127.60)	(32.29)	(2.98)	(156.91)	(103.43)	(8.37)	(2.84)	(108.96)	(47.95)	(47.95)
<b>Total</b>	<b>7,072.59</b>	<b>444.41</b>	<b>44.79</b>	<b>7,472.21</b>	<b>2,967.52</b>	<b>318.40</b>	<b>37.42</b>	<b>3,248.50</b>	<b>4,223.70</b>	<b>4,105.06</b>
<b>As at April 1, 2016</b>	<b>(4,305.45)</b>	<b>(411.58)</b>	<b>(15.58)</b>	<b>(4,701.45)</b>	<b>(1,593.12)</b>	<b>(199.25)</b>	<b>(8.56)</b>	<b>(1,783.81)</b>	<b>(2,917.64)</b>	<b>(2,917.64)</b>

Note:

- (1) Leasehold land and vehicles transferred to right of use asset as per IND AS 116 with effect from April 1, 2019.
- (2) 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 deemed cost as on April 1, 2016 of those Property, Plant and Equipment are given in brackets.
- (3) Refer note on capital commitment & Security for the borrowings.
- (4) During financial year 22-23, 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. CAPITAL WORK IN PROGRESS

The following table presents the changes in capital work in progress during the year ended March 31, 2023

Particulars	As at April 01, 2022	Additions	Deletions	As at March 31, 2023
Capital work in progress	77.47	86.58	65.38	98.67
<b>Total</b>	<b>77.47</b>	<b>86.58</b>	<b>65.38</b>	<b>98.67</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 1.1. RIGHT OF USE ASSETS

The following table presents the changes in right of use assets during the period ended March 31, 2023

Particulars	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	Accumulated Depreciation As at April 01, 2022	Depreciation for the year	Eliminated on disposal of assets	Accumulated Depreciation As at March 31, 2023	Net Block As at March 31, 2023	Net Block As at March 31, 2022
(a) Land Lease Hold	13.53 (13.53)	-	-	13.53 (13.53)	1.93 (1.80)	0.13 (0.13)	-	2.06 (1.93)	11.47 (11.60)	11.60 (11.73)
(b) Vehicle Leasehold	34.46 (34.46)	-	-	34.46 (34.46)	18.40 (15.06)	3.33 (3.34)	-	21.73 (18.40)	12.73 (16.06)	16.06 (19.40)
(c) Building and Land rent - SP Superfine	334.67 (334.67)	-	-	334.67 (334.67)	90.81 (60.54)	30.27 (30.27)	-	121.08 (90.81)	213.59 (243.86)	243.86 (274.13)
(d) Land rent - MD and ED	53.42 (53.42)	-	-	53.42 (53.42)	5.85 (3.90)	1.95 (1.95)	-	7.80 (5.85)	45.62 (47.57)	47.57 (49.52)
(e) Lease Prepayment	29.41 (29.41)	18.11	2.31	45.21 (29.41)	16.59 (11.63)	7.61 (4.96)	-	24.20 (16.59)	21.01 (12.82)	12.82 (17.78)
Total	465.49 (465.49)	18.11	2.31	481.29 (465.49)	133.58 (92.93)	43.29 (40.65)	-	176.87 (133.58)	304.42 (331.91)	331.91 (372.56)

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, 2023

Particulars	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	Accumulated Amortisation As at April 01, 2022	Amortisation for the year	Disposals	Accumulated Amortisation As at March 31, 2023	Net Block As at March 31, 2023	Net Block As at March 31, 2022
(a) Goodwill	40.16 (40.16)	-	-	40.16 (40.16)	40.16 (33.36)	- (6.80)	-	40.16 (40.16)	-	-
(b) Brand / Trade Marks	17.06 (17.26)	-	-	17.06 (17.26)	17.06 (14.50)	- (1.25)	-	17.06 (15.75)	-	-
(c) Software	4.09 (4.09)	(4.09)	-	4.09 (4.09)	3.91 (0.19)	0.07 (0.19)	-	3.98 (0.19)	0.11 (3.90)	(1.51) (3.90)
(d) Goodwill on Consolidation	58.68 (58.68)	-	-	58.68 (58.68)	-	-	-	-	58.68 (58.68)	58.68 (58.68)
Total	119.99 (116.10)	(4.09)	-	119.99 (120.19)	61.13 (47.86)	0.07 (8.24)	-	61.20 (56.10)	58.79 (64.09)	58.86 (64.09)

Note: The company has elected to continue with the carrying amount of intangible assets 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 deemed cost as on April 1, 2016 of those intangible assets are given in brackets.

### 1.1. INTANGIBLE ASSETS UNDER DEVELOPMENT

The following table presents the changes in capital work in progress during the year ended March 31, 2023

Particulars	As at April 01, 2022	Additions	Deletions	As at March 31, 2023
Intangible Assets under developments	-	3.36	-	3.36
Total	-	3.36	-	3.36

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.2 NON-CURRENT INVESTMENTS	As at March 31, 2024	As at March 31, 2023
<b>a. Investments carried at amortised cost</b>		
Investments in Bonds and Non Convertible Debentures (NCDs) -(unquoted)	-	68.36
Investments in Bonds and Non Convertible Debentures (NCDs) -(quoted)	10.00	93.24
<b>b. Investments carried at fair value through profit or loss</b>		
Investment in Mutual funds (quoted)	-	240.64
<b>c. Others - (unquoted) carried at amortised cost</b>		
i. 1,775 shares (As at March 31, 2023 - 1,775 Shares) of Rs. 1000/- each fully paid up in Netaji Apparel Park.	1.78	1.78
ii. 1,357 shares (As at March 31, 2023 - 2,300 Shares) of Rs. 10/- each fully paid up in Babu Energy P Ltd, Kancheepuram.	0.01	0.02
iii. 81 shares (As at March 31, 2023 - 167 Shares) of Rs. 100/- each fully paid up in Aravind Green Infra P Ltd, Karur	0.01	0.02
iv. 508 shares (As at March 31, 2023 - 625 Shares) of Rs. 100/- each fully paid up in Apsara power India P Ltd, Karur	0.05	0.06
v. 199 shares (As at March 31, 2023 - 292 Shares) of Rs. 100 /-each fully paid up in Amirthaa Green Infra P Ltd, Karur	0.02	0.03
<b>Sub total</b>	<b>11.87</b>	<b>404.15</b>
Less: Impairment in Value of Investments	-	-
<b>Total</b>	<b>11.87</b>	<b>404.15</b>
<b>Aggregate value of quoted and unquoted investments is as follows:</b>		
Aggregate value of quoted investments	10.00	333.88
Aggregate market value of quoted investments	10.00	332.16
Aggregate value of unquoted investments	1.87	70.27
Aggregate value of impairment of investments	-	-
<b>1.3 NON-CURRENT LOANS</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
(Unsecured, considered good unless otherwise stated)		
Advances to Related Parties:		
- S.P. Apparels UK (P) Limited	4.95	3.09
<b>Total</b>	<b>4.95</b>	<b>3.09</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.4 OTHER NON-CURRENT FINANCIAL ASSETS	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
a. Security Deposits (Includes Rs. 80.00 Millions and Rs. 80.00 Millions paid to Poornam Enterprises Private Limited as at March 31, 2024 and March 31, 2023 respectively) (Includes Rs. 50.00 Millions and Rs. 50.00 Millions paid to S.P.Superfine Private Limited as at March 31, 2024 and March 31, 2023 respectively) includes security deposits from enterprises owned by key managerial personnel	270.95	179.86
b. Other Investments - Advance for Business Acquisition (Refer Note 3.16)		
Trade Receivables	150.78	-
EB Deposits	54.16	30.60
Other advances	0.34	0.34
<b>Total</b>	<b>476.23</b>	<b>210.80</b>
1.5 OTHER NON-CURRENT ASSETS	As at March 31, 2024	As at March 31, 2023
a. Capital Advance (Refer Note 3.16)	175.00	-
b. Balance with government authorities (Unsecured, considered good)		
Sales Tax Deposits	0.01	0.01
c. Others - Unsecured, considered good (unless otherwise stated)		
Fringe Benefit Tax Receivables	0.04	0.04
Income Tax Receivables	2.50	2.50
Electricity Charges Receivables	7.58	7.58
	<b>10.12</b>	<b>10.12</b>
<b>Total</b>	<b>185.13</b>	<b>10.13</b>
1.6 INVENTORIES	As at March 31, 2024	As at March 31, 2023
a. Raw materials and Components	488.07	480.45
b. Work-in -progress	1,165.41	1,345.23
c. Finished goods	263.10	290.99
d. Stock-in-trade - Traded goods		
- Garments	502.36	598.91
d. Stores, spares and consumable tools	231.01	253.56
<b>Total</b>	<b>2,649.95</b>	<b>2,969.14</b>

1.7 CURRENT INVESTMENTS	As at March 31, 2024	As at March 31, 2023
<b>a. Investments carried at amortized cost</b>		
Investments in Bonds and Non-Convertible Debentures (NCDs) (unquoted)	292.78	-
<b>b. Investments carried at fair value through profit or loss</b>		
Investments in mutual funds (quoted)	210.00	726.24
<b>Total</b>	<b>502.78</b>	<b>726.24</b>
<b>Aggregate value of quoted and unquoted investments is as follows:</b>		
Aggregate value of quoted investments	210.00	726.24
Aggregate market value of quoted investments	210.00	726.24
Aggregate value of unquoted investments	292.78	-
Aggregate value of impairment of investments	-	-
<b>1.8 TRADE RECEIVABLES</b>		
	As at March 31, 2024	As at March 31, 2023
<b>Trade Receivables considered good - Unsecured</b>		
includes receivables from enterprises owned by key managerial personnel	1,651.77	1,047.31
Poornam Enterprises Private Limited Rs.6.89 Millions (as at March 31, 2023 Rs. 6.88 Millions )		
S.P. Lifestyles Rs.1.72 Millions (as at March 31, 2023 Rs. 0.00 Millions)		
S.P.Retail Brand Limited Rs.82.15 Millions (as at March 31, 2023 Rs. 0.00 Millions)		
S.P.Superfine Cotton Mills Private Limited Rs.31.50 Millions (as at March 31, 2023 Rs. 0.00 Millions)		
Trade Receivables - credit impaired	7.50	5.69
	1,659.27	1,053.00
Less: Loss Allowance	(7.50)	(5.69)
<b>Total</b>	<b>1,651.77</b>	<b>1,047.31</b>



## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.9 CASH AND CASH EQUIVALENTS	As at March 31, 2024	As at March 31, 2023
a. Balances with Banks in Current account	642.75	213.39
in Deposit account	100.34	308.03
in EEFC account	0.01	0.01
Cash and stamps on hand	44.88	80.21
<b>Total</b>	<b>787.98</b>	<b>601.64</b>
b. Bank Balances other than (a) above		
In Deposit accounts liened marked against letter of credit and buyers credit	4.51	42.24
In Dividend account	0.04	-
<b>Total</b>	<b>4.55</b>	<b>42.24</b>
Note: Cash and Cash Equivalents for the purpose of Cash Flow Statement	787.98	601.64
1.10 OTHER CURRENT FINANCIAL ASSETS (Unsecured, Considered Good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
a. Derivative Financial Instruments	12.84	-
<b>Total</b>	<b>12.84</b>	<b>-</b>
1.11 OTHER CURRENT ASSETS (Unsecured, Considered Good unless otherwise stated)	As at March 31, 2024	As at March 31, 2023
a. Prepaid Expenses	20.69	17.06
b. Material advances	46.79	43.55
includes material advance from enterprises owned by key managerial personnel (Includes Rs. 6.87 Millions and Rs. 6.20 Million to S.P. Lifestyles as at March 31, 2024 and March 31, 2023 respectively)		
c. Balances with government authorities		
- Export Incentives Receivables	104.57	43.65
- GST/VAT Refund receivable	69.94	77.64
- GST Input	52.89	17.36
- Royalty Receivables	24.92	12.58
- TUF receivable	21.25	21.25
- Interest subvention receivable	0.16	0.37
	<b>273.73</b>	<b>172.85</b>
d. Advance Tax [Advance Tax [Net of Provisions of Rs 309.78 Millions (as at 31 March, 2023 Rs 302.37 Millions)]	54.76	24.34
e. Others(Advance)	5.80	9.08
<b>Total</b>	<b>401.77</b>	<b>266.88</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.12 SHARE CAPITAL	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs in Millions	Number of shares	Rs in Millions
(a) Authorised Equity shares of Rs. 10/- each with voting rights	4,72,50,000	472.50	4,72,50,000	472.50
	<b>4,72,50,000</b>	<b>472.50</b>	<b>4,72,50,000</b>	<b>472.50</b>
(b) Issued Equity shares of Rs. 10/- each with voting rights	2,56,92,600	256.93	2,56,92,600	256.93
	<b>2,56,92,600</b>	<b>256.93</b>	<b>2,56,92,600</b>	<b>256.93</b>
(c) Subscribed and fully paid up [Refer note 1.12 (iv) below] Equity shares of Rs. 10/- each with voting rights	2,50,92,600	250.93	2,50,92,600	250.93
<b>Total</b>	<b>2,50,92,600</b>	<b>250.93</b>	<b>2,50,92,600</b>	<b>250.93</b>

### 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.

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, 2024		As at March 31, 2023	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
a) Equity Shares with voting rights				
Mr. P.Sundararajan	1,25,38,758	49.97%	1,25,38,758	49.97%
Ms. S.Latha	29,61,505	11.80%	29,61,505	11.80%
DSP Small Cap Fund	21,76,332	8.67%	21,00,473	8.37%

#### 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 of Shares/ (Buyback of Shares)	Closing Balance
<b>Equity shares with voting rights</b>			
Period ended March 31, 2024			
- Number of shares	2,50,92,600	-	2,50,92,600
- Amount (Rs. 10 each) (Rs. in Million)	250.93	-	250.93
Period ended March 31, 2023			
- Number of shares	2,56,92,600	6,00,000	2,50,92,600
- Amount (Rs. 10 each) (Rs. in Million)	256.93	6.00	250.93



## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

iv) After obtaining the approval from the Board, at its meeting on September 21, 2022, the buyback of 600000 Equity Shares of Rs 10 each (representing 2.34% of the total number of paid up equity shares of the Company) from the shareholders of the Company on a proportionate basis by way of tender route at a price of Rs 585 per share for an amount not exceeding Rs.351 Million(5.62% of paid up capital and free reserves) was initiated in accordance with the provisions of the Companies act, 2013 and the SEBI (Buy back) regulations. The extinguishment of equity shares was completed on November 30, 2022.

v) Details of shares held by promoters :

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Equity shares of Rs. 10 each fully paid up</b>					
Mr. P.Sundararajan	1,25,38,758	-	1,25,38,758	49.97%	0.00%
Ms. S.Latha	29,61,505	-	29,61,505	11.80%	0.00%
Mr. Sundararajan Chenduran	28,251	-	28,251	0.11%	0.00%
Ms. Shantha Senthil	10,771	-	10,771	0.04%	0.00%
<b>Total</b>	<b>1,55,39,285</b>	<b>-</b>	<b>1,55,39,285</b>	<b>61.92%</b>	<b>0.00%</b>

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Equity shares of Rs. 10 each fully paid up</b>					
Mr. P.Sundararajan	1,27,84,273	(2,45,515)	1,25,38,758	49.97%	-1.92%
Ms. S.Latha	30,24,509	(63,004)	29,61,505	11.80%	-2.08%
Mr. Sundararajan Chenduran	28,852	(601)	28,251	0.11%	-2.08%
Ms. Shantha Senthil	11,000	(229)	10,771	0.04%	-2.08%
<b>Total</b>	<b>1,58,48,634</b>	<b>(3,09,349)</b>	<b>1,55,39,285</b>	<b>61.92%</b>	<b>-8.16%</b>

### 1.13 OTHER EQUITY

	As at March 31, 2024	As at March 31, 2023
<b>a. Securities Premium Account</b>		
Balance as at the beginning of the period	2,174.94	2,519.94
Less: Premium paid on buy back of shares	-	(345.00)
<b>Balance as at the end of the period</b>	<b>2,174.94</b>	<b>2,174.94</b>
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>b. Capital Redemption Reserve</b>		
Balance as at the beginning of the year	206.00	200.00
Add: Capital Redemption on buyback	-	6.00
Utilised During the year	-	-
<b>Balance as at the end of the period</b>	<b>206.00</b>	<b>206.00</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.13 OTHER EQUITY	As at March 31, 2024	As at March 31, 2023
<p>The reserve has been created as per section 55 (2) (c) of Companies Act, 2013 based on the redemption of preference shares during the financial year 2018-19. The shares are 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 Capital Redemption Reserve.</p> <p>During the FY 22-23, the reserve has been created as per section 69 of Companies Act, 2013 based on the buy back of equity shares. An amount equal to the nominal value of share bought back has been transferred to Capital Redemption Reserve.</p> <p>The above reserve may be utilised by the Company for issuing fully paid bonus shares.</p>		
<b>c. Additional Paid in Equity</b>		
Balance as at the beginning of the year	90.36	90.36
Balance as at the end of the period	<b>90.36</b>	<b>90.36</b>
This has arisen because of the unsecured loan received and preference shares.		
i) As per Ind AS 109 financial liability which were received at concessional rate compared to market rate are valued at fair value from the date of its avilment and difference between the nominal value of unsecured loan and fair value has been treated as deferred loan and unwound during the term of loan. Further differences has been disclosed as additional paid in equity [with respect to unsecured loans related to equity holders].		
ii) As per Para 18 of Ind AS 32 a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Further, the Company as at the date of issue has arrived the present value of the cash flow at market rate return of the preference shares and differences between nominal value of preference shares and present value of the cash flow has been disclosed as additional paid in equity [with respect to preference shares related to equity holders].		
<b>d. Retained Earnings (Surplus in Statement of Profit and Loss)</b>		
Balance as at the beginning of the year	4,238.69	3,471.56
Add: Current year profit	895.65	824.82
Less: Dividend for 2022-23	(75.28)	-
Transfer to Capital Redemption Reserve	-	(6.00)
Expenses on Buy back	0.05	(51.69)
Balance as at the end of the year	<b>5,059.11</b>	<b>4,238.69</b>
Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.		

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.13 OTHER EQUITY	As at March 31, 2024	As at March 31, 2023
<b>e. Exchange difference on translation of foreign operations</b>		
Balance as at the beginning of the year	5.50	3.24
Add: Current year gain/(loss)	2.91	2.26
Balance as at the end of the year	<b>8.41</b>	<b>5.50</b>
The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.		
<b>f. Other Comprehensive Income</b>		
Balance as at the beginning of the year	(230.31)	(164.29)
Add: Current year transfer from statement of profit & loss	76.98	(66.02)
Balance as at the end of the year	<b>(153.33)</b>	<b>(230.31)</b>
Other comprehensive income include remeasurement of net defined benefit liability / asset and changes in fair value of derivatives designated as cash flow hedges, net of taxes.		
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.		
<b>Total</b>	<b>7,385.49</b>	<b>6,485.18</b>
<b>1.14 NON-CURRENT BORROWINGS</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>a. Secured Borrowings at Amortised Cost</b>		
Term Loan from banks	32.50	85.51
<b>b. Unsecured Borrowings at Amortised Cost</b>		
Loans and Advances from related parties	23.04	25.04
<b>Total</b>	<b>55.54</b>	<b>110.55</b>

1. With respect to Term Loans from Banks, the exclusive charge on fixed assets acquired out of finance provided by the respective banks. Second charge on the current assets has been extended to the banks where ever possible. Promoters guarantee and security has also been provided.

- Loan amounting to Rs. 0.00 Million (Previous year Rs. 14.88 Million)
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 17.81 Million)
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 14.61 Million)
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 11.38 Million)
- Loan amounting to Rs. 9.18 Million (Previous year Rs. 51.53 Million) is repayable in 3 quarterly instalments
- Loan amounting to Rs. 0.00 Million (Previous year Rs. 20.48 Million)
- Loan amounting to Rs. 42.50 Million (Previous year Rs. 30.94 Million) is repayable in 17 quarterly instalments
- Interest rate relating to term loans from banks is in the range of 8.60% to 10.45% (Previous Year : 8.60 % to 10.05 %.)
- The Company has not defaulted in repayment of principles and interest during the year.
- Refer Note 1.19(b) for Current Maturities of Long Term Borrowings.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.15 NON-CURRENT LEASE LIABILITIES	As at March 31, 2024	As at March 31, 2023
a. Long term maturity of finance lease obligations [Including Right of use Asset obligation]	255.73	284.64
<b>Total</b>	<b>255.73</b>	<b>284.64</b>

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.

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

- Refer Note 1.20 for Current Maturities of Finance Lease Obligations.

The movement in lease liabilities during the Year ended March 31, 2024 and March 31, 2023 are given below

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	284.93	312.83
Additions	-	-
Finance cost accrued during the year	25.03	27.79
	-	-
Payment of lease liabilities	(54.23)	(55.69)
<b>Balance at the end of the year</b>	<b>255.73</b>	<b>284.93</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	54.03	54.32
One to five years	217.03	271.06
More than five years	58.92	58.92
<b>Total</b>	<b>329.98</b>	<b>384.30</b>

Amounts recognised in profit or loss for the year ended March 31, 2024 and March 31, 2023 are given below

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	25.03	27.79
Expenses relating to leases of low-value assets, including short-term leases of low value assets	121.19	117.04
<b>Total</b>	<b>146.22</b>	<b>144.83</b>

1.15 NON-CURRENT LEASE LIABILITIES	As at March 31, 2024	As at March 31, 2023
a. Other Trade Deposits	26.13	18.84
b. Deferred Govt Grant Receivables	59.93	87.29
<b>Total</b>	<b>86.06</b>	<b>106.13</b>

1.17 DEFERRED TAX LIABILITIES (NET)	As at March 31, 2024	As at March 31, 2023
a. Deferred tax liabilities	383.06	340.82
b. Deferred tax (assets)	(70.86)	(31.68)
Total Deferred tax (assets)/ liabilities before Minimum Alternate Tax [MAT] Credit entitlement as per Income Tax Act, 1961	312.20	309.14
c. MAT Credit entitlement	(17.78)	(17.78)
Total Deferred tax (assets)/ liabilities	294.42	291.36
Deferred tax liability / (assets) in relation to: (Refer Note 3.1)		
- Property, plant and equipment (including Intangible assets)	282.52	337.91
- Other temporary differences (income tax disallowance, land indexation, loan raising expenses etc)	11.90	(46.55)
<b>Total</b>	<b>294.42</b>	<b>291.36</b>

1.18 OTHER NON-CURRENT LIABILITIES	As at March 31, 2024	As at March 31, 2023
Lease Income Deferral	0.54	0.22
<b>Total</b>	<b>0.54</b>	<b>0.22</b>

1.19 CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at March 31, 2024	As at March 31, 2023
a. Secured Borrowings at amortised cost		
Loans from Banks (Includes Cash Credit, Working capital demand loans, Packing credit, etc)	1,703.73	1,975.22
b. Current maturities of Long-term debts at amortised cost	19.18	76.15
<b>Total</b>	<b>1,722.91</b>	<b>2,051.37</b>

Note : With respect to Cash Credit, Working Capital Demand Loan, Packing Credit from Banks, the first charge on entire current assets including stock of Raw Material, Work in Progress, Finished Goods, Stores, Spares & Consumable and receivables of the Company is given to respective banks. Second charge on the entire fixed assets of the Company (other than exclusively charged to term loans) has been extended to the banks where ever possible. Promoters guarantee and security has also been provided to banks.

1.20 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES	As at March 31, 2024	As at March 31, 2023
Current maturities of finance lease obligations	-	0.29
<b>Total</b>	<b>-</b>	<b>0.29</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.21 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES	As at March 31, 2024	As at March 31, 2023
Trade payables - including acceptances		
(A) Total outstanding dues of micro enterprises and small enterprises (Refer Note 3.14)	163.29	217.73
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	824.07	773.36
includes payables to enterprises owned by key managerial personnel Crocodile International Pte Ltd Rs. 15.68 Millions (as at March 31, 2023 Rs. 6.33 Millions) S.P.Lifestyles Rs. 4.00 Millions (as at March 31, 2023 Rs. 5.82 Millions) S.P.Retail Brands limited Rs. 0.00 Millions (as at March 31, 2023 Rs. 8.29 Millions) Poornam Enterprises Private Limited Rs. 2.14 Millions (as at March 31, 2023 Rs. 2.14 Millions) S.P. Superfine Private limited Rs. 11.39 Millions (as at March 31, 2023 Rs. 2.43 Millions)		
includes payables to key managerial personnel Mr.S.Chenduran Rs. 3.54 Millions (as at March 31, 2023 Rs. 0.30 Millions)		
<b>Total</b>	<b>987.36</b>	<b>991.09</b>

### Ageing of trade payables as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues to micro enterprises and small enterprises	80.30	79.81	3.18	-	-	163.29
Dues to other than micro enterprises and small enterprises	328.23	397.49	14.12	10.09	1.42	751.35
Disputed dues to micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro enterprises and small enterprises	-	-	-	-	-	-
Unbilled dues	72.72	-	-	-	-	72.72
<b>Total</b>	<b>481.25</b>	<b>477.30</b>	<b>17.30</b>	<b>10.09</b>	<b>1.42</b>	<b>987.36</b>

### Ageing of trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues to micro enterprises and small enterprises	105.07	112.66	-	-	-	217.73
Dues to other than micro enterprises and small enterprises	294.28	414.24	8.59	0.00	0.04	717.15
Disputed dues to micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro enterprises and small enterprises	-	-	-	-	-	-
Unbilled dues	56.21	-	-	-	-	56.21
<b>Total</b>	<b>455.56</b>	<b>526.90</b>	<b>8.59</b>	<b>0.00</b>	<b>0.04</b>	<b>991.09</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.22 CURRENT FINANCIAL LIABILITIES - Others	As at March 31, 2024	As at March 31, 2023
a. Proposed dividend on cumulative preference shares including DDT	0.05	0.04
b. Capital Creditors	18.31	24.18
c. Employee Benefits includes payables to Key Managerial Personnel P. Sundararajan [ Managing Director Rs. 4.22 (as at March 31, 2023 Rs. 0.40)] S. Shantha [ Joint Managing Director Rs. 0.07 (as at March 31, 2023 Rs. 0.07)] S. Chenduran [ Joint Managing Director Rs. 0.18 (as at March 31, 2023 Rs. 0.18)]	186.72	164.46
d. Derivative Financial Liabilities	-	110.49
e. Trade Deposit from customers	29.92	12.96
	<b>235.00</b>	<b>312.13</b>

1.23 OTHER CURRENT LIABILITIES	As at March 31, 2024	As at March 31, 2023
a. Statutory Liabilities	61.90	51.32
b. Other liabilities	51.89	28.54
<b>Total</b>	<b>113.79</b>	<b>79.86</b>

1.24 CURRENT PROVISIONS	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>		
Gratuity (Net of funds) (Refer Note 3.6)	72.56	51.51
Compensated absences	20.46	20.27
<b>Total</b>	<b>93.02</b>	<b>71.78</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.1 REVENUE FROM OPERATIONS	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a. Sale of Products</b>		
<b>Manufactured goods</b>		
Garments - export	8,182.27	8,259.88
Garments - Local	36.69	34.95
Yarn	318.91	92.00
Fabric	141.10	90.62
Cotton Waste	201.55	165.06
<b>Traded Goods</b>		
Cotton	-	78.80
Garments	1,384.45	1,385.57
<b>Subtotal</b>	<b>10,264.97</b>	<b>10,106.88</b>
<b>b. Revenue From Services</b>		
Dyeing charges	42.97	166.22
Embroidery charges	4.22	0.90
Printing charges	0.13	-
Others	2.29	0.09
<b>Subtotal</b>	<b>49.61</b>	<b>167.21</b>
<b>c. Other Operating revenue</b>		
Duty Draw Back and other Export Incentives	523.93	504.71
Sale of Scrap	1.63	0.01
Others*	33.41	29.74
<b>Subtotal</b>	<b>558.97</b>	<b>534.46</b>
<b>Total</b>	<b>10,873.55</b>	<b>10,808.55</b>

\*It includes release of deferred income of Rs. 27.36 Million (29.74 Million in 2022-23) relating to incentive from Technology Upgradation Fund (TUF) Scheme loan and Export Promotion Capital Goods (EPCG) Scheme which was accounted during the transition to Ind AS, now taken to statement of profit and loss.



## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.2 OTHER INCOME	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a. Interest Income from</b>		
Deposits and NCDs	29.76	10.07
Lease Deposits	10.17	8.23
Interest on Income Tax Refund	0.08	3.07
Loan to SP Apparels UK (P) Limited	1.86	1.83
<b>Subtotal</b>	<b>41.87</b>	<b>23.20</b>
<b>b. Dividend Income from</b>		
Current Investments	0.58	0.30
<b>Subtotal</b>	<b>0.58</b>	<b>0.30</b>
<b>c. Other Non-operating Income</b>		
Profit on Sale of Investments	104.51	6.67
Foreign Exchange Gain (Net)	-	168.79
Gain on fair valuation of investments carried at fair value through profit or loss	2.10	0.54
Others	14.11	0.86
<b>Subtotal</b>	<b>120.72</b>	<b>176.86</b>
<b>Total</b>	<b>163.17</b>	<b>200.36</b>
<b>2.3 COST OF MATERIALS CONSUMED</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Opening Stock	734.01	1,110.19
Purchases	3,212.98	3,191.91
	<b>3,946.99</b>	<b>4,302.10</b>
<b>Less:</b>		
Closing Stock	719.08	734.01
<b>Total</b>	<b>3,227.91</b>	<b>3,568.09</b>
<b>2.4 PURCHASE OF STOCK-IN-TRADE - TRADED GOODS</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Garments	980.41	1,314.64
<b>Total</b>	<b>980.41</b>	<b>1,314.64</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a. Changes in Inventories</b>		
Work-in-progress	290.99	1,645.00
Finished goods	1,345.23	203.76
Stock in trade	598.91	361.33
	<b>2,235.13</b>	<b>2,210.09</b>
<b>b. Inventory at the end of the year</b>		
Finished goods	263.10	1,345.23
Work-in-progress	1,165.41	290.99
Stock in trade	502.36	598.91
	<b>1,930.87</b>	<b>2,235.13</b>
<b>Total</b>	<b>304.26</b>	<b>(25.04)</b>
<b>2.6 EMPLOYEE BENEFITS EXPENSE</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Salaries, wages and bonus	2,074.81	1,911.76
Contribution to provident, gratuity and other funds (Refer note -1 below)	219.44	191.95
Staff welfare expenses	313.53	282.98
<b>Total</b>	<b>2,607.78</b>	<b>2,386.69</b>
1	Gratuity Act is not applicable for SP Apparels UK (P) Limited as the Company is incorporated outside India and it is not applicable for Crocodile Products Private Limited as there are no employees in the Company.	
<b>2.7 FINANCE COST</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Interest Expense on Bank Borrowings	112.01	93.77
Interest Expense on Trade Deposits	1.18	1.10
Interest Expense on Right of Use Asset	25.03	27.79
Other borrowing costs	64.20	54.32
Exchange (gain) / loss on foreign currency borrowings	(15.43)	9.21
<b>Total</b>	<b>186.99</b>	<b>186.19</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.8 DEPRECIATION AND AMORTISATION EXPENSES	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a. Tangible assets</b>		
Buildings	82.64	80.44
Plant and equipment	153.03	152.08
Electrical installations	33.63	31.47
Furniture and fittings	23.22	19.32
Office equipments	15.05	13.43
Lab equipments	2.99	2.97
Computers	17.22	17.47
Vehicles	4.83	1.34
Solar plant	2.50	-
<b>Right of Use Asset</b>		
- Land	0.21	0.22
- Vehicles	3.09	3.33
- Others	39.06	39.39
<b>a. Tangible assets ( Including Right of Use assets)</b>	<b>377.47</b>	<b>361.46</b>
<b>b. Intangible Assets</b>	<b>0.07</b>	<b>0.07</b>
<b>Total</b>	<b>377.54</b>	<b>361.53</b>
2.9 OTHER EXPENSES	For the year ended March 31, 2024	For the year ended March 31, 2023
Power & Fuel	415.47	349.67
Repairs & Maintenance - Building	15.30	46.56
Repairs & Maintenance - Machinery	96.58	107.38
Repairs & Maintenance - Others	75.20	70.56
Fabrication Charges	133.97	97.58
Other Manufacturing Expenses	730.20	786.78
Payments to Auditors	2.26	2.36
Insurance	14.76	19.69
Legal & Professional Charges	46.79	60.92
Loss on sale of property, plant and equipment	3.02	4.89
Printing and stationery	12.94	12.98
Communication	4.74	3.96
Travelling and conveyance	54.74	54.10

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.9 OTHER EXPENSES	For the year ended March 31, 2024	For the year ended March 31, 2023
Factory lease rent	22.45	21.29
Rent	98.74	95.75
Rates and taxes	22.16	20.68
Donation	0.53	0.81
Expenditure on Corporate Social Responsibility (Refer Note 3.4)	28.59	14.48
Director sitting fees (Refer Note 3.2)	1.28	1.20
Commission	11.78	3.08
Freight and forwarding	169.66	114.23
Business promotion	32.69	22.32
Royalty	29.33	33.03
Loss Allowance on receivables / advances	8.50	5.95
Provisions for MTM (Gain) / Loss on forward contracts	(26.63)	97.41
Loss on Foreign Exchange	102.83	(3.83)
Miscellaneous expenses	67.55	65.34
<b>Total</b>	<b>2,175.43</b>	<b>2,109.17</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 3.1 Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and a description of the items that created these differences is given below :

#### Recognised deferred tax assets/liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, Plant and Equipment	(282.52)	(337.91)
Derivative Adjustments	(25.89)	22.21
Others	(3.79)	6.56
Minimum Alternate Tax [MAT] credit entitlement as per Income Tax Act, 1961	17.78	17.78
<b>Net deferred tax (liabilities)/assets recognised in Balance Sheet</b>	<b>(294.42)</b>	<b>(291.36)</b>

#### Movement in temporary differences during current and previous year

Particulars	MAT	Property, Plant and Equipment	Derivative Adjustments	Others
Balance as at April 1, 2022	17.78	(338.89)	(1.86)	(7.84)
Recognised in income statement	-	0.98	-	14.40
Recognised in Equity	-	-	24.07	-
<b>Balance as at March 31, 2023</b>	<b>17.78</b>	<b>(337.91)</b>	<b>22.21</b>	<b>6.56</b>
Recognised in income statement	-	55.39	-	(10.35)
Recognised in Equity	-	-	(48.10)	-
<b>Balance as at March 31, 2024</b>	<b>17.78</b>	<b>(282.52)</b>	<b>(25.89)</b>	<b>(3.79)</b>

#### Income tax expense recognized in profit or loss

Particulars	As at March 31, 2024	As at March 31, 2023
Current Tax expense/ (reversal)	309.78	302.37
Deferred Tax expense	(22.83)	(17.23)
Short / (Excess) provision for earlier year's tax	(6.80)	(2.62)
	<b>280.15</b>	<b>282.52</b>

#### 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:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before taxes	1,176.40	1,107.64
Enacted tax rates in India	25.17%	25.17%
Expected tax expense/(benefit)	<b>296.08</b>	<b>278.77</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	As at March 31, 2024	As at March 31, 2023
Short / (Excess) provision for earlier year's tax	(6.80)	(2.62)
Due to timing differences	(22.83)	(17.23)
Permanent differences	13.70	23.60
Income Tax expenses recognised in Statement of Profit and Loss	<b>280.15</b>	<b>282.52</b>

### 3.2 Payments to directors (other than managing director and executive director)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sitting fees	1.28	1.20

### 3.3 Earnings Per Share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net Profit after Tax for the year	896.25	825.12
Weighted average number of equity shares outstanding ( Refer Note (a) below)	2,50,92,600	2,54,92,600
Earnings Per Share - Basic & Diluted	35.72	32.37
<b>(a) Weighted average number of shares - Basic &amp; Diluted</b>		
Paid-up equity share capital (face value Rs. 10/-)	25,09,26,000	25,09,26,000
Face Value per share [Amount]	10.00	10.00
Weighted average number of equity shares outstanding	<b>2,50,92,600</b>	<b>2,54,92,600</b>

### 3.4 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 Rs. 19.39 Millions during the year ended March 31, 2024 towards CSR in compliance of this requirement. A sum of Rs 28.59 million including Rs 8.91 million relating to March 31, 2020 has been spent during the current year towards CSR activities as per details given below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the Company during the year	19.39	13.74
Amount of expenditure incurred*	28.59	14.48
Shortfall at the end of the year	0	0
Total of previous year shortfall	0	0
Reason for shortfall	NA	NA
Nature of CSR activities	Education, skill development, rural development, health care, disaster management	

\*Out of the above expenditure incurred during FY 23-24, ₹ 15.62 millions is towards contribution to SP Charitable Trust which supports skill development activities

\*Amount of expenditure incurred during FY 23-24 includes ₹ 8.91 million relating to Financial year ending March 31, 2020

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 3.5 Foreign currency exposure

The details of foreign currency exposure as at March 31, 2024 are as follows:

Particulars	As at March 31, 2024		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
<b>Cash and cash equivalent</b>			
Cash in hand	USD	0.00	0.20
	GBP	0.01	0.77
	EUR	0.00	0.19
	SGD	0.00	0.00
	HKD	0.00	0.01
	LKR	0.04	0.01
		0.05	1.18
EEFC A/c	GBP	0.00	0.01
	EUR	0.00	0.00
		0.00	0.01
Amounts receivable in foreign currency on account of:			
<b>Trade Receivables</b>	USD	3.46	288.77
	GBP	3.17	334.41
	EUR	0.23	4.06
	MYR	0.00	0.01
	RUB	1.15	103.85
		8.02	731.10
<b>Loans and Advances</b>	USD	0.02	1.75
	GBP	0.50	52.59
	SEK	0.30	2.32
		0.82	56.66
Amounts payable in foreign currency on account of:			
<b>Trade Payable</b>	USD	0.04	3.64
	EUR	0.20	18.30
		0.25	21.94
<b>PCFC account</b>	USD	2.05	171.27
	GBP	0.04	3.81
	EUR	2.69	242.92
		4.78	418.00

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

The details of foreign currency exposure as at March 31, 2023 are as follows:

Particulars	As at March 31, 2023		
	Foreign Currency	Amount in foreign currency	Amount in Indian Rupees
Cash and cash equivalent	GBP	0.00	0.12
	EUR	0.00	0.18
		0.00	<b>0.30</b>
Current A/c	GBP	1.19	120.91
		1.19	<b>120.91</b>
EEFC A/c	GBP	0.00	0.01
		0.00	<b>0.01</b>
Amounts receivable in foreign currency on account of:			
Trade Receivables	USD	2.53	207.71
	GBP	4.16	423.43
	EUR	0.99	88.90
	MYR	0.23	4.12
	RUB	28.10	88.90
		36.01	<b>813.07</b>
Loans and Advances	USD	0.02	1.56
	GBP	0.03	3.09
	EUR	0.05	4.14
	CHF	0.00	0.10
		0.10	<b>8.89</b>
Amounts payable in foreign currency on account of:			
Trade Payable	USD	0.03	2.80
	GBP	0.80	82.41
	EUR	0.21	18.26
		1.04	<b>103.47</b>
PCFC account	USD	0.56	45.85
	EUR	4.36	391.14
		4.92	<b>436.99</b>
Bank Overdraft	GBP	2.35	239.06
		2.35	<b>239.06</b>
Buyers Credit	EUR	0.25	22.26
		0.25	<b>22.26</b>



## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 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, 2024	Year ended March 31, 2023
Projected benefit obligation at the beginning of the year	103.10	104.34
Service cost	32.10	20.05
Interest cost	8.09	7.90
Remeasurement (gain)/losses	(7.73)	(20.77)
Benefits paid	(9.22)	(8.42)
<b>Projected benefit obligation at the end of the year</b>	<b>126.34</b>	<b>103.10</b>

##### Change in the fair value of plan assets

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of plan assets at the beginning of the year	51.59	38.09
Interest income	3.39	2.83
Employer contributions	9.58	17.23
Benefits paid	(9.22)	(8.42)
Return on plan assets, excluding amount recognised in net interest expense	(1.56)	1.86
<b>Fair value of plan assets at the end of the year</b>	<b>53.78</b>	<b>51.59</b>

##### Amount recognised in the Balance Sheet

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of projected benefit obligation at the end of the year	126.34	103.10
Fair value of plan assets at the end of the year	(53.78)	(51.59)
<b>Funded status amount of liability recognised in the Balance Sheet</b>	<b>72.56</b>	<b>51.51</b>

##### Expense recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Service cost	32.10	20.05
Interest cost	8.09	7.90
Interest income	(3.39)	(2.83)
<b>Net gratuity costs</b>	<b>36.80</b>	<b>25.12</b>
Actual return on plan assets	-	-

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### Summary of actuarial assumptions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.19%-7.22%	7.31%
Expected rate of return on plan assets	7.43%	7.40%
Salary escalation rate	2.00%	2.00%
Attrition rate	10%-50%	40.00%

**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 Rs. 11.94 Millions to its gratuity fund during the year ending March 31, 2025. ( Previous year : Rs. 15.34 Millions)

The expected cash flows over the next few years are as follows:

Year	Discounted Amount	Undiscounted Amount
1 year	13.58	14.10
2 to 5 years	31.75	38.56
6 to 10 years	25.85	43.05
More than 10 years	55.16	145.75

**Plan assets:** The Gratuity plan's weighted-average asset allocation at March 31, 2024 and March 31, 2023, by asset category is as follows

Particulars	March 31, 2024	March 31, 2023
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:

Particulars	March 31 2024		March 31 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	9.39	(8.24)	4.13	(3.80)
(% change compared to base due to sensitivity)	7.81%	-6.85%	3.90%	-3.59%
Salary Growth rate (-/+ 1%)	(8.35)	9.43	(3.49)	3.73
(% change compared to base due to sensitivity)	-6.94%	7.84%	-3.30%	3.52%

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### b. Contributions to defined contribution plans

#### i. Provident Fund

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 Rs. 52.69 Millions and Rs. 41.02 Millions during the year ended March 31, 2024 and March 31, 2023 respectively.

#### ii. Employee State Insurance

In accordance with Indian law, all eligible employees receive benefits from a employee state insurance, 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 salary. The Company has no further obligations under the plan beyond its monthly contributions. The company contributed Rs. 49.28 Millions and Rs. 41.14 Millions during the year ended March 31, 2024 and March 31, 2023 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, 2024	March 31, 2023
Outside India	8,753.88	8,841.81
Within India	2,119.67	1,966.74
<b>Total</b>	<b>10,873.55</b>	<b>10,808.55</b>

### 3.8 Financial instruments

#### a. Derivative financial instruments

##### 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, 2024 and March 31, 2023 are given below:

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Forward contracts (Sell)	USD	17.26	16.13
	EUR	12.25	14.25
	GBP	11.92	13.52
(Gain) / loss on mark to market in respect of forward contracts outstanding	INR	(12.84)	110.49

The Company recognized a net gain/(loss) on the forward contracts of Rs. 123.33 Millions (Previous year : Rs. (208.27) Millions) for the year ended March 31, 2024.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	USD	USD	EUR	EUR	GBP	GBP
Not later than one month	0.86	1.00	-	1.00	2.02	1.52
Later than one month and not later than three months	1.75	4.25	2.40	5.75	2.25	6.25
Later than three months and not later than six months	10.15	6.63	5.30	6.00	3.65	4.25
Later than six months and not later than one year	4.50	4.25	4.55	1.50	4.00	1.50
<b>Total</b>	<b>17.26</b>	<b>16.13</b>	<b>12.25</b>	<b>14.25</b>	<b>11.92</b>	<b>13.52</b>

### b. Financial instruments by category

The carrying value and fair value of financial instruments by each category as at March 31, 2024 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
<b>Assets</b>					
Investments	304.65	210.00	-	514.65	514.65
Trade receivables	1,651.77	-	-	1,651.77	1,651.77
Cash and cash equivalents	787.98	-	-	787.98	787.98
Other bank balances	4.55	-	-	4.55	4.55
Loans and Advances	4.95	-	-	4.95	4.95
Other financial assets	476.23	-	-	476.23	476.23
Derivative financial instruments	-	16.21	(3.36)	12.84	12.84
<b>Liabilities</b>					
Borrowings from banks	1,755.41	-	-	1,755.41	1,755.41
Borrowings from others	23.04	-	-	23.04	23.04
Finance lease liabilities	255.73	-	-	255.73	255.73
Trade payables	987.36	-	-	987.36	987.36
Other financial liabilities	321.06	-	-	321.06	321.06

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

The carrying value and fair value of financial instruments by each category as at March 31, 2023 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
<b>Assets</b>					
Investments	163.51	966.88	-	1,130.39	1,130.39
Trade receivables	1,047.31	-	-	1,047.31	1,047.31
Cash and cash equivalents	601.64	-	-	601.64	601.64
Other bank balances	42.24	-	-	42.24	42.24
Loans and Advances	3.09	-	-	3.09	3.09
Other financial assets	210.80	-	-	210.80	210.80
<b>Liabilities</b>					
Borrowings from banks	2,136.88	-	-	2,136.88	2,136.88
Borrowings from others	25.04	-	-	25.04	25.04
Finance lease liabilities	284.93	-	-	284.93	284.93
Trade payables	991.09	-	-	991.09	991.09
Other financial liabilities	294.81	-	-	294.81	294.81
Derivative financial instruments	-	10.43	100.06	110.49	110.49

### Details of financial assets pledged as collateral

The carrying amount of financial assets as at March 31, 2024 and 2023 that the Company has provided as collateral for obtaining borrowing and other facilities from the bankers are as follows

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories	2,649.95	2,969.14
Trade receivables	1,651.77	1,047.31
Cash and cash equivalents	787.98	601.64
Other bank balances	4.55	42.24
Property, plant and Equipments	4,212.30	4,223.70
<b>Total</b>	<b>9,306.55</b>	<b>8,884.03</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### c. Fair value measurements:

The details of assets and liabilities that are measured on fair value on recurring basis are given below:

Particulars	Fair value as of March 31, 2024			Fair value as of March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Investments	210.00	-	-	966.88	-	-
Derivative financial assets - gain on outstanding option/forward contracts	-	12.84	-	-	-	-
<b>Liabilities</b>						
Derivative financial assets - loss on outstanding option/forward contracts	-	-	-	-	110.49	-

- 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	As at
	March 31, 2024	March 31, 2023
<b>(a) Financial assets at amortised cost</b>		
Interest income on bank deposits	29.76	10.07
Interest income on other financial assets	12.11	10.06
<b>(b) Financial assets at fair value through profit or loss (FVTPL)</b>		
Net gains/(losses) on fair valuation of derivative financial instruments	26.63	(97.41)
<b>(c) Financial assets at fair value through profit or loss (FVTOCI)</b>		
Net gains/(losses) on fair valuation of derivative financial instruments	96.70	(110.86)
<b>(d) Financial liabilities at amortised cost</b>		
Interest expenses on lease obligations	(25.03)	(28.89)
Interest expenses on borrowings from banks, others and overdrafts	(113.19)	(93.77)

### 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.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### Credit risk:

#### 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, 2024 and 2023 was as follows:

	As at March 31, 2024	As at March 31, 2023
Investments	514.65	1,130.39
Trade receivables	1,651.77	1,047.31
Cash and cash equivalents	787.98	601.64
Other bank balances	4.55	42.24
Loans and Advances	4.95	3.09
Other financial assets	476.23	210.80
Derivative financial instruments	12.84	-
	<b>3,452.97</b>	<b>3,035.47</b>

#### 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, 2024	As at March 31, 2023
<b>Period (in days)</b>		
Past due 0 - 180 days	1,267.54	546.04
More than 181 days	384.23	501.28
	<b>1,651.77</b>	<b>1,047.32</b>

#### Note:

Other financial assets and Loans of Rs.1,801.21 Millions as at March 31, 2024 (Rs.1,988.16 Millions as at March 31, 2023) has not been impaired.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 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, 2024

Particulars	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings from banks	1,755.41	1,755.41	1,731.97	23.44	0.00	0.00
Borrowings from others	23.04	23.04	23.04	-	-	-
Finance lease liabilities	255.73	329.98	54.03	108.42	108.61	58.92
Trade payables	987.36	987.36	986.32	1.03	0.01	-
Other financial liabilities	321.06	321.06	294.93	-	26.13	-
	<b>3,342.60</b>	<b>3,416.85</b>	<b>3,090.29</b>	<b>132.89</b>	<b>134.75</b>	<b>58.92</b>

#### As at March 31, 2023

Particulars	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	> 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings from banks	2,136.88	2,148.96	2,058.60	59.42	30.94	0.00
Borrowings from others	25.04	25.04	25.04	-	-	-
Finance lease liabilities	284.93	384.30	54.32	162.45	108.61	58.92
Trade payables	991.09	991.09	991.09	-	-	-
Other financial liabilities	405.30	405.30	405.30	-	-	-
	<b>3,843.24</b>	<b>3,954.69</b>	<b>3,534.35</b>	<b>221.87</b>	<b>139.55</b>	<b>58.92</b>

### 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.



## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 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, 2024 was as follows:

Particulars	Cash and cash equivalents	Trade receivables	PCFC Accounts	Buyers Credit & Creditors	Foreign currency loans and Advances	Net Balance Sheet exposure
USD	0.00	3.46	(2.05)	(0.04)	0.02	1.39
GBP	0.01	3.17	(0.04)	-	0.50	3.64
EUR	0.00	1.15	(2.69)	(0.20)	-	(1.74)
SGD	0.00	0.00	-	-	-	0.00
HKD	0.00	-	-	-	-	0.00
LKR	0.04	-	-	-	-	0.04
MYR	-	0.23	-	-	-	0.23
SEK	-	-	-	-	0.30	0.30

The Company's exposure to foreign currency risk as at March 31, 2023 was as follows:

Particulars	Cash and cash equivalents	Trade receivables	PCFC Accounts	Buyers Credit & Creditors	Foreign currency loans and Advances	Net Balance Sheet exposure
USD	-	2.53	(0.56)	(0.03)	0.02	1.96
GBP	1.19	4.16	(2.35)	(0.80)	-	2.20
EUR	-	0.99	(4.61)	(0.21)	0.05	(3.78)
MYR	-	0.23	-	-	-	0.23
RUB	-	28.10	-	-	-	28.10

A 10% strengthening of the rupee against the respective currencies as at March 31, 2024 and 2023 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 2023.

Particulars	Other comprehensive income	Profit/(loss)
March 31, 2024	-	34.90
March 31, 2023	-	13.42

A 10% strengthening of the rupee against the above currencies as at March 31, 2024 and 2023 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.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 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:

Particulars	Carrying amount	
	March 31, 2024	March 31, 2023
<b>Fixed rate instruments</b>		
Financial assets		
- Fixed deposits with banks	4.51	42.24
Financial liabilities		
- Borrowings from banks	51.68	161.66
- Borrowings from others	23.04	25.04
<b>Variable rate instruments</b>		
Financial liabilities		
- Borrowings from Banks	1,703.73	1,975.22

### 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 2021.

	Equity	Profit or (loss)
March 31, 2024	-	(17.04)
March 31, 2023	-	(19.75)

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 2024

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
841.12	3,819.13	April 2024 to March 2025	1:1	Euro- 92.25 GBP- 98.52 USD- 63.01	(12.84)	(12.84)

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### Cash flow Hedge - Foreign Exchange forward Contracts - March 2023

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
423.19	3,973.93	April 2023 to March 2024	1:1	Euro- 86.09 GBP- 98.52 USD- 63.01	110.49	110.49

\*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, 2024

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	(96.70)	(26.63)	110.85	Revenue

#### As at March 31, 2023

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	110.86	97.41	(11.44)	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 2024 and March 2023 (Refer note 2.9)

Derivative instrument	Foreign exchange forward contracts	Derivative instrument	Foreign exchange forward contracts
Cash flow hedge reserve as of April 1, 2022	8.57	Cash flow hedge reserve as of April 1, 2023	(82.95)
Less: Amount transferred to statement of profit & loss	(11.45)	Less: Amount transferred to statement of profit & loss	110.85
Add: Changes in discounted spot element of foreign exchange contracts/ new contracts entered during the period	(110.85)	Add: Changes in discounted spot element of foreign exchange contracts/ new contracts entered during the period	96.70
Less: Deferred tax on the above movement	30.78	Less: Deferred tax on the above movement	(52.24)
<b>As of March 2023</b>	<b>(82.95)</b>	<b>As of March 2024</b>	<b>72.36</b>

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 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 equity as on March 31, 2024 is Rs. 7,636.42 Millions (Previous Year: Rs. 6,736.11 Millions).

The Company monitors capital using gearing ratio, which is net debt divided by equity. 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, 2024	As at March 31, 2023
<b>Debt</b>		2,034.18	2,446.85
Less: cash and bank balances		(792.53)	(643.88)
<b>Net debt</b>	<b>A</b>	<b>1,241.65</b>	<b>1,802.97</b>
<b>Equity</b>	<b>B</b>	<b>7,636.42</b>	<b>6,736.11</b>
<b>Net debt to Equity ratio</b>	<b>A/B</b>	<b>16%</b>	<b>27%</b>

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)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(i) Contingent liabilities</b>		
a. Employee State Insurance (ESI) demand	10.37	-
The company has received the demand from ESI for an amount of ₹ 6.40 million along with interest of Rs.3.97 million and the company has deposited 25% (₹ 1.60 million) and has filed an appeal against the demand before the labour court.		
b. Outstanding export obligations for EPCG license	52.31	328.12
c. The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020, which could impact the contributions by the company towards Provident Fund, Gratuity and other social security. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in period of notification of the relevant provisions.	-	-
<b>(ii) Capital Commitments</b>		
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.	107.74	124.03

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 3.12 Details of leasing arrangements

#### (i) Finance lease obligation relating to Vehicles

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Reconciliation of minimum lease payments</b>		
Future minimum lease payments for a period of not later than one year	-	0.30
later than one year and not later than five years	-	-
later than five years	-	-
	-	0.30
Less: Unmatured finance charges	-	-
Present value of minimum lease payments payable not later than one year	-	0.30
later than one year and not later than five years	-	-
later than five years	-	-

#### (ii) Operating lease arrangements

The rental expenses towards operating lease is charged to statement of profit & loss amount of Rs.121.19 Millions (for the year ended 31st March 2023 Rs. 117.04 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, 2024

#### Long term borrowings\*

Particulars	As at April 1, 2023	Accepted	Repayment	Fair Value Changes	As at March 31, 2024
Borrowings from banks	161.66	11.56	(121.54)		51.68
Borrowings from others	25.04	-	(2.00)	-	23.04
Finance lease liabilities	284.93	-	(54.23)	25.03	255.73
<b>Total</b>	<b>471.63</b>	<b>11.56</b>	<b>(177.77)</b>	<b>25.03</b>	<b>330.45</b>

\*Including current maturities

#### Short term borrowings

Particulars	As at April 1, 2023	Cash Flows	Forex exchange movement	As at March 31, 2024
Working capital facilities	1,975.22	(254.77)	(16.72)	1,703.73
<b>Total</b>	<b>1,975.22</b>	<b>(254.77)</b>	<b>(16.72)</b>	<b>1,703.73</b>

### Reconciliation of liabilities from financing activities for the year ended March 31, 2023

#### Long term borrowings\*

Particulars	As at April 1, 2022	Accepted	Repayment	Fair Value Changes	As at March 31, 2023
Borrowings from banks	513.43	30.94	(382.71)	-	161.66
Borrowings from others	25.43	-	(0.39)	-	25.04
Finance lease liabilities	312.83	27.79	(55.69)	-	284.93
<b>Total</b>	<b>851.69</b>	<b>58.73</b>	<b>(438.79)</b>	<b>-</b>	<b>471.63</b>

\*Including current maturities

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### Short term borrowings

Particulars	As at April 1, 2022	Cash Flows	Forex exchange movement	As at March 31, 2023
Working capital facilities	1,462.71	503.13	9.38	1,975.22
<b>Total</b>	<b>1,462.71</b>	<b>503.13</b>	<b>9.38</b>	<b>1,975.22</b>

### 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, 2024	As at March 31, 2023
a. The principal amount and interest due thereon remaining unpaid at the end of the accounting year	163.29	217.73
b. The amount of interest paid by the buyer beyond the appointed day during the accounting year	-	-
c. Principal amounts and interest due thereon unpaid beyond the appointed day at the end of the accounting year.	0.19	41.31
d. 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	-	-
e. The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f. 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 Additional disclosure as per part III of Schedule III of the Companies Act, 2013

As at March 31, 2024

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
<b>Indian Subsidiaries</b>				
Crocodile Products Pvt Ltd	-0.81%	(62.19)	0.22%	1.98
S.P Retail Ventures Limited	4.38%	334.43	-11.79%	(105.63)
<b>Foreign subsidiaries</b>				
S.P Apparels UK (P) Ltd	0.85%	64.76	-4.21%	(37.72)
Minority interest in all subsidiaries	-0.84%	(64.38)	-0.07%	(0.59)

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As at March 31, 2023

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
<b>Indian Subsidiaries</b>				
Crocodile Products Pvt Ltd	-0.96%	(64.17)	0.12%	1.00
S.P Retail Ventures Limited	6.60%	440.06	-11.38%	(93.89)
<b>Foreign subsidiaries</b>				
S.P Apparels UK (P) Ltd	1.49%	99.59	-0.02%	(0.13)
Minority interest in all subsidiaries	-0.97%	(64.97)	-0.04%	(0.30)

### 3.16 Acquisition of Young Brand Apparel Private Limited, the subsidiary of Bannari Amman Spinning Mills Limited

The Company has signed an definitive agreement to acquire 100 percent stake of Young Brand Apparel Private Limited (YBAPL), the subsidiary of Bannari Amman Spinning Mills Limited along with certain fixed assets in the garment unit situated at Palladam of Bannari Amman Spinning Mills Limited and land and building situated at Perundurai SIPCOT (The State Industries Promotion Corporation of Tamil Nadu Limited) for a value of Rs. 2,230 millions. The proposal is subject to necessary statutory, regulatory and other compliance & approvals. During the year, the Company has paid advance of INR 325 Million towards consideration.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 3.17 Related party transaction

Name of Related Party	Nature of Relationship
<b>Key Managerial Personnel</b>	
P.Sundararajan	Managing Director
S.Latha	Executive Director (Wife of Mr.P.Sundararajan)
S.Chenduran	Joint Managing Director (Son of Mr.P.Sundararajan)
S.Shantha	Joint Managing Director (daughter of Mr.P.Sundararajan)
P.Jeeva	Chief Executive Officer (Garment Division)
V.Balaji	Chief Financial Officer
K.Vinodhini	Company Secretary
<b>Relative of Key Managerial Personnel</b>	
P.Ashokaraman	Brother of Mr.P.Sundararajan
<b>Associate</b>	
Crocodile International Pte Ltd	Associate Company
<b>Enterprises owned by key Managerial Personnel</b>	
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.Lifestyles	Enterprise over which Key Managerial Personnel are able to exercise significant influence
<b>Enterprises owned by relatives of key Managerial Personnel</b>	
SP Superfine Cotton Mills Private Limited	Enterprise over which relative of Key Managerial Personnel are able to exercise significant influence



## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Details of transactions with related parties - During the year ended March 31, 2024 and Balances outstanding at March 31, 2024

Nature	Particulars	Associate Company		Key Managerial Personnel *											
		Crocodile International Pre Ltd		Mr. P.Sundararajan		Mrs. S.Latha		Mr. S.Chenduran		Mrs. S.Shantha					
		31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023				
	Sale of Goods & Service														
	Interest Income														
	Purchase of Goods & services														
	Purchase of Land			21.00	0										
Trans- action Details	Royalty Paid	21.00	15.52												
	Remuneration			24.00	22.00	19.20	17.20	15.00	13.00	1.20	0.70				
	Lease Rent Paid			19.58	18.41	2.88	2.88	3.85	3.51						
	Investment made														
	Loans & Advances														
	Given			28.71											
	Received														
	Remuneration payable			4.22	0.40	0.00	0.00	0.18	0.18	0.18	0.07	0.07			
	Lease Rent payable			0.00	0.00	0.00	0.00	0.78							
	Lease Rent security deposit			74.32	24.32	0.78	0.78								
Out- standing Balances	Unsecured Loan			23.04	25.04										
	Trade Payables	15.68	6.33					3.54	0.30						
	Trade Receivables														
	Investment in Equity Shares														
	Loans & Advances														
	Advances Paid -Land purchase			28.71											

\* Note: As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Details of transactions with related parties - During the year ended March 31, 2024 and Balances outstanding at March 31, 2024

Nature	Particulars	Subsidiary Companies				Key Managerial Personnel *											
		Poornam Enterprises Pvt Ltd.		S.P.Lifestyles		S.P.Retail Brands Limited		S.P.Superfine Cotton Mills Pvt Ltd		Ms. P.V.Jeeva		Mr.V.Balaji		Ms. K.Vinothini			
		31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2024	31-03-2023	31-03-2024	31-03-2023			
Transaction Details	Sale of Goods & Service		4.65		72.75	0.00	0.00	31.50	0.00								
	Interest Income																
	Purchase of Goods & services		8.23	3.89	5.64	19.61	0.00	0.00									
	Purchase of Land																
	Royalty Paid																
	Remuneration									6.46	6.27	3.52	3.20	1.47	1.16		
	Lease Rent Paid							55.20	55.20								
	Investment made							0.00	0.00								
	Loans & Advances	Given						36.52	16.21								
	Received							20.97	19.12								
Out-standing Balances	Remuneration payable																
	Lease Rent payable																
	Lease Rent security deposit	80.00	80.00					50.00	50.00								
	Un secured Loan																
	Trade Payables	2.14	2.14	4.00	5.82	8.29	11.39	2.43	2.43								
	Trade Receivables	6.89	6.88	1.72	0	82.15	31.50	0.00	0.00								
	Investment in Equity Shares																
	Investment in preference Shares																
	Loans & Advances Given			6.87	6.20												
	Advances Paid -Land purchase																

\* Note: As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 3.18 Additional Regulatory Information:

(i) The Holding Company and its Subsidiary Companies which are incorporated in India do not have investment property to disclose as to whether the fair value of such investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(ii) The Holding Company and its Subsidiary Companies which are incorporated in India have not revalued its Property, Plant and Equipment (including Right-of-Use Assets).

(iii) The Holding Company and its Subsidiary Companies which are incorporated in India do not have the Intangible assets so the revaluation of the Intangible is not applicable.

(iv) The Holding Company and its Subsidiary Companies which are incorporated in India do not grant any loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined in the Companies Act, 2013), either severally or jointly with any other person.

#### (v) Capital-Work-in Progress (CWIP):

##### (a) CWIP aging schedule:

As at March 31, 2024					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	187.47	-	-	-	187.47
As at March 31, 2023					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	98.67	-	-	-	98.67

Note: The Holding Company and its Subsidiary Companies which are incorporated in India do not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

#### (vi) Details of Benami Property held:

No proceedings has been initiated or pending against the Holding Company and its Subsidiary Companies which are incorporated in India for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

#### (vii) Where the Company has borrowings from bank or financial institutions on the basis of current assets:

The Holding Company and its Subsidiary Companies which are incorporated in India have made borrowings from banks on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Holding Company and its Subsidiary Companies which are incorporated in India with banks are in agreement with the books of account.

#### (viii) Wilful Defaulter:

The Holding Company and its Subsidiary Companies which are incorporated in India are not declared as wilful defaulter by any bank, financial institution or other lender.

#### (ix) Relationship with Struck off Companies:

The Holding Company and its Subsidiary Companies which are incorporated in India have no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

## D. NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### (x) Compliance with number of layers of companies:

The Holding Company and its Subsidiary Companies which are incorporated in India have no layers as stipulated under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

### (xi) Compliance with approved Scheme(s) of Arrangements:

The Holding Company and its Subsidiary Companies which are incorporated in India have not entered into any arrangements which requires approval from the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.

### (xii) Utilisation of Borrowed funds and share premium:

(A) The Holding Company and its Subsidiary Companies which are incorporated in India have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its Subsidiary Companies which are incorporated in India (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Holding Company and its Subsidiary Companies which are incorporated in India have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company and its Subsidiary Companies which are incorporated in India shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiii) The Holding Company and its Subsidiary Companies which are incorporated in India do not have any charges or satisfaction which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period.

(xiv) The Holding Company and its Subsidiary Companies which are incorporated in India do not have traded or invested in Crypto currency or Virtual Currency during the financial year.

(xv) The Holding Company and its Subsidiary Companies which are incorporated in India do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(xv) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of event date attached

For and on behalf of the Board of Directors

### For ASA & Associates LLP

Chartered Accountants  
Firm Reg. No.: 009571N/N500006

**P.Sundararajan**  
Managing Director  
DIN : 00003380

**S. Latha**  
Executive Director  
DIN : 00003388

### D K Giridharan

Partner, Membership No. : 028738

**V.Balaji**  
Chief Financial Officer

**K. Vinodhini**  
Company Secretary

Place : Chennai  
Date : May 21, 2024

Place : Avinashi  
Date : May 21, 2024

## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 26th day of September 2024 at 04.00 PM through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business(es):

### 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, 2024, 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 Smt. S Shantha (DIN: 00088941) who retires by rotation and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

3. Approval of the SPAL Employee Stock Option Plan (SPAL ESOP 2024) and grant of Employee Stock Options under SPAL ESOP 2024 to the employees of the company.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with rules framed there under and the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars/ guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to the approval of BSE Limited and the National Stock Exchange of India Limited and subject to any approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance

of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as the “Compensation Committee” under the SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to create, issue, offer, grant, vest and allot, from time to time and in one or more tranches, Options under the SPAL Employee Stock Option Plan 2024 (“SPAL ESOP 2024”), the salient features of which are set out in the Statement annexed to this Notice, to or to the benefit of such person(s) who are permanent employees of the Company, whether working in India or outside India, and / or to the Directors of the Company, whether whole-time or not but excluding independent directors and to such other persons as may be decided by the Board and / or permitted under SBEB Regulations (hereinafter referred to as “Eligible Employees”) but does not include an employee who is a Promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company, to subscribe to such number of Equity Shares of the Company not exceeding in aggregate 2,50,000 Equity Shares of the face value of Rs. 10/- (Rupees Ten only) each at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of SPAL ESOP 2024 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT outstanding Options granted under SPAL ESOP 2024 before any rights issue, issue of bonus shares or stock splits or consolidation of shares shall be suitably adjusted for the number as well as the exercise price as applicable and such outstanding Options may be further adjusted at the discretion of the Board for any corporate action(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to devise, formulate, evolve, decide upon and bring into effect SPAL ESOP 2024 as per the terms approved in this resolution read with the Statement

annexed to this Notice and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate SPAL ESOP 2024, subject to compliance with the SBEB Regulations and other applicable laws, rules and regulations, as may be prevailing at that time.

RESOLVED FURTHER THAT the Securities shall be allotted in accordance with SPAL ESOP 2024 directly to the employees of the Company.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted under SPAL ESOP 2024 shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under SPAL ESOP 2024 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to SPAL ESOP 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of SPAL ESOP 2024 and to take all such steps and do all acts as may be incidental or ancillary thereto.

4. Approval of the grant of Employee Stock Options under SPAL Employee Stock Option Plan (SPAL ESOP 2024) to the employees of the Subsidiary company(ies).

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with rules framed there under and the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars/ guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to the approval of BSE Limited and the National Stock Exchange of India Limited and subject to any approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as the "Compensation Committee" under the SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to create, issue, offer, grant, vest and allot, from time to time and in one or more tranches, Options under the SPAL Employee Stock Option Plan 2024 ("SPAL ESOP 2024"), referred to in the Special Resolution under Item No.3 of this Notice and the salient features of which are set out in the Statement annexed to this Notice, to or to the benefit of such person(s) who are permanent employees of the existing and / or future subsidiary company(ies) of the Company, whether working in India or outside India, and / or to the Directors of such subsidiary company(ies), whether whole-time or not but excluding independent directors and to such other persons as may be decided

by the Board and / or permitted under SBEB Regulations (hereinafter referred to as “Eligible Employees”) but does not include an employee who is a Promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company, to subscribe to such number of Equity Shares of the Company not exceeding in aggregate 2,50,000 Equity Shares of the face value of Rs. 10/- (Rupees Ten only) each at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of SPAL ESOP 2024 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT outstanding Options granted under SPAL ESOP 2024 before any rights issue, issue of bonus shares or stock splits or consolidation of shares shall be suitably adjusted for the number as well as the exercise price as applicable and such outstanding Options may be further adjusted at the discretion of the Board for any corporate action(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to devise, formulate, evolve, decide upon and bring into effect SPAL ESOP 2024 as per the terms approved in this resolution read with the Statement annexed to this Notice and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate SPAL ESOP 2024, subject to compliance with the SBEB Regulations and other applicable laws, rules and regulations, as may be prevailing at that time.

RESOLVED FURTHER THAT the Securities shall be allotted in accordance with SPAL ESOP 2024 directly to the employees of the subsidiary company(ies) of the Company.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted under SPAL ESOP 2024 shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under SPAL ESOP 2024 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to SPAL ESOP 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of SPAL ESOP 2024 and to take all such steps and do all acts as may be incidental or ancillary thereto

5. Approval for revision in payment of remuneration to Mr. Sundararajan Perumal Mudaliar (DIN: 00003380) Chairman and Managing Director of the Company.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT in supersession of the earlier resolutions passed by the members of the Company and pursuant to Section 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), and Articles of Association and Nomination and Remuneration Policy, the approval of the members be and is hereby accorded for the payment of the revised remuneration to Mr. Sundararajan Perumal Mudaliar (DIN: 00003380) Chairman and Managing Director of the Company, for the period from 1st August 2024 till the remaining period of his present term (i.e.: till 20th November 2025), on

the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their respective meetings held on 10th August 2024, notwithstanding the fact that the aggregate annual remuneration payable to him in any financial year during his tenure together with the aggregate annual remuneration payable to Mrs. Latha, Executive Director, Mr.S.Chenduran and Mrs.S.Shantha, Joint Managing Directors of the Company who are promoters or members of the promoter group, may exceed 5% of Net Profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) as calculated under Section 198 of the said Act, or any other limits as specified by the Listing Regulations or the Act for the time being in force.

**Terms of Remuneration:**

Salary: 10,00,000/- (Rupees Ten Lakhs only) per month plus other employee benefits of the Company.

Provided that the aggregate annual remuneration payable to Mr. Sundararajan Perumal Mudaliar (DIN: 00003380), by M/s. Young Brand Apparel Private Limited (CIN: U18101TN2006PTC081600) together with the aggregate annual remuneration mentioned herein shall not exceed, in any financial year, an overall ceiling limit of Rs. 14,50,000/- (Rupees Fourteen Lakhs and Fifty Thousand only) per month in accordance with Schedule V of the Companies Act, 2013.

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 the Board of Directors (including its Committees thereof) be and are hereby authorized to alter and vary the terms of remuneration payable to Mr. Sundararajan Perumal Mudaliar (DIN: 00003380), the Chairman and Managing Director of the Company, as it may deem fit, subject to the same not exceeding the limit as approved by the shareholders.

RESOLVED FURTHER THAT Mr. Sundararajan Perumal Mudaliar (DIN: 00003380), the Chairman and Managing Director of the Company, shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

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. Sundararajan Perumal Mudaliar (DIN: 00003380), the Chairman and Managing Director of the Company, as specified in Schedule V of the Companies Act, 2013 (as amended).

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 and 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.

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No. 3 & 4**

Stock options in the hands of the employees have since long been recognized as an effective instrument to align the interests of the employees with that of the Company. Accordingly, with a view to reward the past performance and contribution of the employees of the Company and its subsidiaries and to attain individual performance targets and drive performance of the Company, it is proposed to approve



and adopt SPAL Employees Stock Option Plan 2024 (“SPAL ESOP 2024”).

The Board of Directors of the Company at their meeting held on 10th August 2024 has proposed the implementation of SPAL ESOP 2024 for the benefit of such person(s) who are employees of the Company or its subsidiaries.

The number of Equity Shares to be issued and allotted under SPAL ESOP 2024 will be limited to 2,50,000 Equity Shares of the Company representing less than 1% of the paid-up equity share capital of the Company.

This ceiling will be adjusted for any future rights issue, bonus issue of shares or stock splits or consolidation of shares and also may further be adjusted at the discretion of the Board for any corporate action(s).

The SPAL ESOP 2024 will be administered by the Nomination and Remuneration Committee constituted by the Board pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB Regulations”).

The approval of Members is being sought for grant of Employee Stock Options to Eligible Employees of the Company and its subsidiary companies. The SPAL ESOP 2024 has been formulated in accordance with the SBEB Regulations.

The salient features of SPAL ESOP 2024 are set out as per SBEB Regulations and are as under:

**a) Brief description of the Scheme- SPAL ESOP 2024**

The Company has structured this Plan for its Employees and employees of its subsidiary companies. The objectives of this Plan are as under:

- a. Rewarding for their past performance and contribution to the company
- b. Retention of employees; and
- c. Attain individual performance targets and drive performance of the company.

These objectives / purposes are sought to be achieved through the Grant of Options to the Employees of the Company and employees of its Subsidiary Companies.

**b) Total number of Options to be granted**

The total number of options to be granted under the SPAL ESOP 2024, in one or more tranches, shall not exceed

2,50,000 (Two Lakhs Fifty Thousand only). This ceiling will be adjusted for any future rights issue, bonus issue of shares or stock splits or consolidation of shares and also may further be adjusted at the discretion of the Board / Nomination and Remuneration Committee for any corporate action(s).

The Options that remain unexercised at the expiration or are not entitled for vesting or forfeited or lapsed or cancelled shall be added back to the number of Options that are pending to be granted. The Nomination and Remuneration Committee may, at their discretion Grant such Options within the overall limit determined in accordance with the SPAL ESOP 2024.

**c) Identification of class of employees entitled to participate and be beneficiaries in SPAL ESOP 2024:**

Following classes of employees are entitled to participate in SPAL ESOP 2024:

- a. An employee as designated by the company, who is exclusively working in India or outside India; or
- b. A director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director or
- c. An employee as defined in clauses (a) or (b) of a group company including subsidiary or its associate company, in India or outside India.

Following persons are not entitled to participate in SPAL ESOP 2024:

- a. An employee who is a promoter or a person belonging to the promoter group; or
- b. A director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

**d) Requirements of vesting and period of vesting:**

The Options granted can vest only to the Eligible Employees as per the terms laid down by the Nomination and Remuneration Committee in accordance with SPAL ESOP 2024.

The Nomination and Remuneration Committee shall have the power to grant Options with varied Vesting Periods, subject to the requirement of minimum vesting period of 1 (One) year from the date of grant.

**e) Maximum period within which the Options shall be vested:**

The maximum Vesting Period may extend up to 5 (five) years from the date of grant of Options or such other period as may be decided by the Nomination and Remuneration Committee.

**f) Exercise price or pricing formula**

The Exercise Price of the Vested Options shall be determined in accordance with the Notified Scheme(s) under the Plan.

**g) Exercise period and the process of Exercise:**

- i. An eligible employee to whom an option has been granted can exercise the vested options within the exercise period as may be laid down by the Nomination and Remuneration Committee from time to time.
- ii. The Nomination and Remuneration Committee shall decide the procedure for the exercise of Options and allotment of shares.
- iii. The vested options will be exercisable by the employees through a written application to the Nomination and Remuneration Committee accompanied by payment of the Exercise Price, taxes and any other sums due to the Company in such manner and on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee from time to time.
- iv. The vested options will lapse if not exercised within the specified Exercise period.

**h) Appraisal process for determining the eligibility of the employees for SPAL ESOP 2024**

The appraisal process for determining the eligibility of the employees to participate in the SPAL ESOP 2024 is subject to such criteria as may be decided by the Nomination and Remuneration Committee at its own discretion, including, but not limited to the date of joining of the Employee with the Company, grade of the Employee, performance evaluation, period of service with the Company, criticality, or any other criteria, as the Nomination and Remuneration Committee deems necessary

**i) Maximum number of Options to be issued per employee and in aggregate:**

During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued equity share capital

excluding outstanding warrants and conversions of the Company at the time of grant of options unless an approval from the Shareholders is taken by way of separate resolution in a General Meeting. Further, in aggregate the maximum number of options would not exceed 2,50,000 options.

**j) Maximum quantum of benefits to be provided per employee under SPAL ESOP 2024**

The maximum quantum of benefits underlying the Options granted to an eligible employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the Market Price of the Equity Shares on the exercise date. Apart from the above, no monetary benefits are contemplated under the SPAL ESOP 2024.

**k) Whether SPAL ESOP 2024 is to be implemented and administered directly by the Company or through a Trust:**

SPAL ESOP 2024 is proposed to be implemented by the Company directly subject to applicable compliances, as may be decided by the Board.

**l) Whether SPAL ESOP 2024 involves new issue of shares by the Company or secondary acquisition by the Trust or both**

SPAL ESOP 2024 contemplates only the new issue of securities by the Company, upon exercise of options.

**m) The amount of loan to be provided for implementation of SPAL ESOP 2024 by the Company to the Trust, its tenure, utilization, repayment terms, etc.**

Not Applicable as the Company proposes to implement SPAL ESOP 2024 directly.

**n) Maximum percentage of Secondary Acquisition that can be made by the Trust for the purpose of the Scheme.**

Not Applicable under the present scheme.

**o) Accounting and Disclosure Policies**

The Company shall follow and confirm to applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/or accounting policies as per the Companies Act, 2013 and SBEB Regulations as applicable.

**p) Method of valuation of Options**

The Company shall use the Fair Value Method for valuation of the Options granted to calculate the employee compensation cost.

**q) Period of lock-in**

The SPAL ESOP 2024 does not provide for any lock-in of shares or securities issued under the Plan.

**r) Terms & conditions for buyback, if any, of options covered under these regulations**

The terms and conditions for buy-back will be subject to the provisions of the Companies Act, 2013 and SBEB Regulations.

**s) Transferability of options**

The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees, as prescribed.

**t) Other terms**

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary or modify the terms of the SPAL ESOP 2024 in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India, including in terms of the SBEB Regulations or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is not detrimental to the interest of the employees who have been granted Options under the SPAL ESOP 2024.

Regulation 6(1) of SBEB Regulations requires that every Employee Stock Option Scheme shall be approved by the Members of the Company by passing a special resolution in a General Meeting. Further, as SPAL ESOP 2024 will entail further issue of shares, consent of the Members is required by way of a special resolution pursuant to Section 62(1)(b) of the Companies Act, 2013.

Further, Regulation 6(3) of SBEB Regulations requires that approval of the shareholders by way of special resolution in the general meeting shall be obtained by the Company in case of grant of options to the employees of the subsidiary company.

A draft copy of the SPAL ESOP 2024 is available for inspection at the Registered Office during office hours on all working days up to the date of the meeting.

Accordingly, the special resolution(s) have been set out in Item Nos. 3 & 4 of this Notice for approval by Members.

The Options to be granted under SPAL ESOP 2024 shall not be treated as an offer or invitation made to the public for subscription of securities of the Company. The SPAL ESOP 2024 conforms to the SBEB Regulations.

The Board recommends the special resolutions set out in Item Nos. 3 & 4 of this Notice for approval by the Members.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Options under SPAL ESOP 2024 may be deemed to be concerned or interested in the special resolutions set out in Item Nos. 3 & 4 of this Notice. Save as aforesaid, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said special resolutions.

**Item No. 5**

The members of the Company at the 15th Annual General Meeting held on 28th September 2020 had approved the re-appointment of Mr. Sundararajan Perumal Mudaliar (DIN: 00003380), as the Chairman and Managing Director of the Company for a period of 5 years and also approved the payment of remuneration for a period of 3 years with effect from 21st November, 2020 by means of passing a special resolution respectively.

Subsequently the members of the Company at the 18th Annual General Meeting held on 22nd September 2023 has approved the payment of the remuneration for the remaining of his tenure as Chairman and Managing Director of the Company with effect from 21st November 2023 by means of passing a special resolution.

Further, Mr. Sundararajan Perumal Mudaliar (DIN: 00003380) has been appointed as the Chairman and Managing Director of M/s. Young Brand Apparel Private Limited (CIN: U18101TN2006PTC081600) without remuneration with effect from 21st June 2024 and subsequently, approved for payment of remuneration on 15th July 2024 with effect from 1st August 2024.

Pursuant to Schedule V of the Companies Act, 2013, a managerial person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person. Further, pursuant to the first proviso under Section II of Part II of Schedule V of the Companies Act, 2013, the payment of remuneration in excess of the limits prescribed under Section II, as applicable, to managerial personnel shall require the approval of the members by means of passing a special resolution.

Pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Nomination and Remuneration Committee & Audit Committee of the Company at their respective meetings held on 10th August 2024 had recommended/ approved the revised payment of the remuneration to Mr. Sundararajan Perumal Mudaliar (DIN: 00003380), Chairman and Managing Director of the Company.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors of the Company, at their meeting held on 10th August 2024 have approved the payment of revised remuneration to Mr. Sundararajan Perumal Mudaliar (DIN: 00003380), Chairman and Managing Director of the Company, with an intent to effectively remunerate him within the permissible limits and to fix a maximum ceiling limit for the overall remuneration to be

drawn by him in the capacity as Chairman and Managing Director in the Company and from M/s. Young Brand Apparel Private Limited (CIN: U18101TN2006PTC081600) as Managing Director in any financial year.

Pursuant to the Section(s) 197, and 198 read with Schedule V of the Companies Act, 2013, and the applicable provisions of Listing Regulations, the Special Resolution for payment of the revised remuneration to the Chairman and Managing Director, has been set out in Item No. 5 of the Notice, for approval of the members of the Company in the Annual General Meeting.

Accordingly, the Board recommends the necessary resolution as set out in Item No. 5 of the Notice of Annual General Meeting 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 details as required under Regulation 36 of Listing Regulations, brief resume of Mr. Sundararajan Perumal Mudaliar and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this notice.

Except Mr.P.Sundararajan, Chairman and Managing Director being the beneficiary and Mrs. Latha, Executive Director and Mr.S.Chenduran & Mrs.S.Shantha, Joint Managing Directors of the Company, being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.5.

Place : Avinashi  
Date : 10.08.2024

By the order of the Board  
For S.P.Apparels Limited,

P.Sundararajan  
Chairman and Managing Director  
DIN: 00003380

**Notes :**

1. The Ministry of Corporate Affairs (“MCA”) vide its relevant circulars issued during the years 2020, 2021, 2022 and 2023 (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 same has been acknowledged by the Securities and Exchange Board of India vide its relevant circulars issued during the years 2020, 2021, 2022 and 2023 (collectively referred to as “SEBI Circulars”). The deemed venue for the AGM shall be the Registered Office of the Company.
2. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), MCA Circulars and SEBI Circulars, the 19th AGM of the Company is being held through VC / OAVM. Members desirous of participating in the 19th AGM through VC/OAVM, may refer to the procedures mentioned below.
3. 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. In compliance with the circulars the AGM is being held through VC / OAVM. Physical attendance of the 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.
4. 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 the Company at csoffice@spapparels.com and to its RTA at enotices@linkintime.co.in.
5. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the 19th AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the RTA/Company/Depositories. Members may note that the physical copy of the Notice of the AGM along with the Annual Report will not be sent. Members may note that the Notice of the 19th Annual General Meeting and the Annual Report for the financial year 2023-24 will also be available on the Company’s website www.spapparels.com, website of 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 www.instavote.linkintime.co.in. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection during normal business hours on working days. Further, pursuant to the SEBI’s Circular, the Company will be sending a hard copy of the Annual Report to those Shareholders who request for the same through email id addressing to csoffice@spapparels.com.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
8. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking re-appointment of at the 19th Annual General Meeting are provided as annexure to the Notice.
9. The Company has paid the annual listing fees for the period 2024-25 to the Stock Exchange(s) namely BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

10. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed during the period from Friday, 20th September, 2024 to Thursday, 26th September, 2024 (both days inclusive) for determining the names of the members eligible for Annual General Meeting.
11. Members may note that M/s. ASA & Associates LLP., Chartered Accountants (Firm Registration No. 009571N/N500006) were appointed as Statutory Auditors of the Company at the 17th Annual General Meeting (AGM) held on 19th September, 2022, to hold their office for a period of 5 consecutive years till the conclusion of the 22nd AGM to be held during the year 2027. Hence, no resolution is being proposed for the appointment of Statutory Auditors at this 19th Annual General Meeting.
12. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account Number, Name of the Bank, Branch, IFSC, MICR code and place with PIN Code) to their respective Depository Participant(s) and not with 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 encashment of dividend warrants.
13.
  - a. Members are requested to notify immediately any change in their address:
    - i. to their Depository Participant(s) (“DPs”) in respect of the shares held in electronic form, and
    - ii. to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz, Aadhar Card /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.
14. As per the provisions of Section 72 of the Act, the facility for making nominations is now available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the RTA of the Company or can download the Form from the Company’s website namely [www.s-p-apparels.com](http://www.s-p-apparels.com). Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
15. 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.
16. 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 settlement or
  - b) the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
17. Those members who have not encashed dividend warrants of earlier years may return the time barred dividend warrants to the Company or its Registrars and Share transfer Agents for revalidation of such instruments.
18. Members who wish to claim dividends, which remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents of the Company. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (“IEPF”) established by the Central Government

under Section 125 of the Companies Act, 2013. The details of unpaid dividend can be viewed on the Company's website [www.s-p-apparels.com](http://www.s-p-apparels.com).

As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring unclaimed shares on which the beneficial owner has not encashed any dividend continuously for seven years to the IEPF Account as identified by the IEPF Authority. Details of shareholders whose shares are liable to be transferred to IEPF are available at the Company's website [www.spapparels.com](http://www.spapparels.com).

The shareholders, whose unclaimed shares or unpaid dividend amount has been transferred to the IEPF Authority Account, may claim the same from the IEPF Authority by filing Form IEPF-5 along with requisite documents. Mrs. Vinodhini K, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

19. Shareholders holding shares in Demat form and who have not yet registered their e-mail address are requested to register their email address with their respective Depository Participant (DP) immediately. Shareholders holding shares in physical form are requested to dematerialize their shares and register their email address with our Registrars & Share Transfer Agents, Link Intime India Private Ltd., "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028; email id: [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in).

20.

- a. Securities and Exchange Board of India ("SEBI") had earlier 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 / Registrar and Share Transfer Agents with effect from 1st April 2019.
- b. Further, SEBI had mandated the listed entities to issue shares only in dematerialized mode, with effect from 25th January 2022 to Shareholder(s)/ claimant(s) holding shares in physical mode, as against their service requests including for transmission or transposition of shares.

As per the said circular, the Company has opened a separate Escrow Demat account for the purpose of crediting the shares of the Shareholders who fail to submit the letter of confirmation with the respective Depository Participant within the prescribed timeline.

- c. Further, as per SEBI's Master circular dated 17th May 2023 and amendment circular dated 17th November 2023 and 7th May 2024 Members holding shares in physical form, whose folio(s) lack PAN, nomination details, contact details, Bank Account details or updated specimen signature, will only be eligible for payment of dividend, through electronic mode effective from 1st April 2024. Therefore, Members holding shares in physical form are requested to update the mentioned details by providing the appropriate requests through ISR forms with the Registrar and Share Transfer Agent to ensure receipt of dividend.

Necessary prior intimation(s) in this regard was provided to the Shareholders. A copy of the required circular(s) is/are available on the Company's website [www.spapparels.com](http://www.spapparels.com).

- d. Further, SEBI vide its circular(s) dated 3rd November, 2021 and 16th March, 2023 has also mandated that the Shareholders holding shares in physical form are required to compulsorily link their PAN and Aadhaar. Accordingly, the physical folios in which PAN and Aadhaar are not linked have been frozen by the RTA. The securities which have been frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialisation of the said securities.

Necessary prior intimation(s) in this regard was provided to the Shareholders. Therefore, Members holding share(s) in physical form are requested to immediately update their KYC details / dematerialize their shareholding in the Company. A copy of the said circular(s) is available on the Company's website [www.spapparels.com](http://www.spapparels.com).

- e. The shareholders are requested to co-ordinate with the Company's RTA. The shareholders may also note that as per advisory of SEBI, the Company's RTA has launched an investors' self-service portal 'SWAYAM' to access investor requests / services <https://swayam.linkintime.co.in>
21. 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) in the prescribed form with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
22. Members may kindly note that in accordance with SEBI Circular dated 31st July 2023, the Company has registered on the SMART ODR (Securities Market Approach for Resolution through Online Disputes Resolution) Portal. This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution institutions for addressing complaints. Members can access the SMART ODR Portal via: <https://smartodr.in/login>. Members may utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).
23. 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.
24. Members desirous of receiving any information/clarification on the accounts or operations of the Company are requested to forward his/her queries to the Company Secretary of the Company at least seven working days prior to the date of the 19th Annual General Meeting. The same will be replied by the company suitably during the AGM or later.
25. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding(s) to electronic mode.
26. Members are requested to forward their share related queries and communications directly to the Registrars and Share Transfer Agents of the Company - Link Intime India Pvt. Limited, Branch Office at "Surya", 35 May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028, email id: [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in) or the Company Secretary of the Company; email id: [csoffice@spapparels.com](mailto:csoffice@spapparels.com).

## 27. 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, (including any statutory modification(s), amendments, clarifications, exemptions or re-enactments 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 (SS2), 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 National Securities Depository Limited ("NSDL") 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/ e-voting during the AGM. Instructions to Shareholders provided hereinafter for e-voting explains 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 a Member of the Company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e., Thursday, 19th September 2024, may refer to this Notice of the Annual General Meeting, posted on Company's website [www.spapparels.com](http://www.spapparels.com) for detailed procedure with regard to remote e-voting. Any person who ceases to be a 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. 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(s) again. Once the vote on the resolution is cast by the Member, the Members shall not be allowed to change it subsequently.
- iii. The Voting Period begins on Monday, 23rd September, 2024 9.00 AM (IST) and ends on Wednesday, 25th September 2024 5.00 PM (IST). During the period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut off date i.e., Thursday, 19th September, 2024 may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

**Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

**1. Individual Shareholders holding securities in demat mode with NSDL:**

**METHOD 1 - If registered with NSDL IDeAS facility**

**Users who have registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsd.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
- c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**OR**

**User who have not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsd.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - By directly visiting the e-voting website of NSDL:**

- a) Visit URL: <https://www.evoting.nsd.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.

- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with CDSL:**

**METHOD 1 - If registered with CDSL Easi/Easiest facility**

**Users who have registered for CDSL Easi/Easiest facility.**

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/home/login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**OR**

**Users who have not registered for CDSL Easi/Easiest facility.**

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - By directly visiting the e-voting website of CDSL.**

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

**A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\* Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

*\* Shareholders holding shares in NSDL form, shall provide ‘D’ above*

☞ Set the password of your choice (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).

☞ Click “confirm” (Your password is now generated).

3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
4. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on ‘Submit’.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
4. After selecting the desired option i.e. Favour / Against, 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.

**Guidelines for Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”):**

**STEP 1 - Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under “Corporate Body/ Custodian/Mutual Fund”
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person’s email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

**STEP 2 -Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on “Investor Mapping” tab under the Menu Section
- c) Map the Investor with the following details:
  - a. ‘Investor ID’ -
    - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - b. ‘Investor’s Name - Enter full name of the entity.
  - c. ‘Investor PAN’ - Enter your 10-digit PAN issued by Income Tax Department.
  - d. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be - DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the “Report Section”.

**STEP 3 - Voting through remote e-voting.**

The corporate shareholder can vote by two methods, once remote e-voting is activated:

**METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on ‘Votes Entry’ tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter ‘16-digit Demat Account No.’ for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).

- f) After selecting the desired option i.e., Favour / Against, click on ‘Submit’.
- g) 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. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**OR**

**VOTES UPLOAD:**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select ‘View’ icon for ‘Company’s Name / Event number ‘. E-voting page will appear.
- d) Download sample vote file from ‘Download Sample Vote File’ option.
- e) Cast your vote by selecting your desired option ‘Favour / Against’ in excel and upload the same under ‘Upload Vote File’ option.
- f) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Forgot Password:**

**Individual shareholders holding securities in physical form has forgotten the password:**

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and*

Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%^), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

**Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”) has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on ‘Login’ under ‘Corporate Body/ Custodian/Mutual Fund’ tab and further Click ‘forgot password?’

o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%^), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ☞ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ☞ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ☞ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**InstaVote Support Desk**

**Link Intime India Private Limited**

**Process and manner for attending the General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & click on “Login”.

☞ Select the “Company” and ‘Event Date’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16-digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide 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 Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

⇒ Click “Go to Meeting” (You are now registered for InstaMeet, and your attendance is marked for the meeting).

**Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer 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 your 16-digit 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 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 General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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 shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

#### **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> or
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1(A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1(B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.  Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

- 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 of Thursday, 19th September, 2024.
- Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Annual General Meeting.
- The Company has appointed Sri. M D Selvaraj, Managing Partner of MDS & Associates LLP, Company Secretaries, Coimbatore as the Scrutinizer to scrutinize the remote e-voting and e-voting process at the meeting in a fair and transparent manner and for the purpose of ascertaining the majority.
- The Chairman shall, at the 19th Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the 19th Annual General Meeting but who have not cast their votes by availing remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast during the AGM 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 shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the consolidated report of the Scrutinizer shall be placed on the website of the Company [www.spapparels.com](http://www.spapparels.com) and on the website of LIPL and communicated to the Stock Exchanges where the Company's shares are listed.



STATEMENT OF DISCLOSURES PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO. 5 ABOVE:

1. 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

(Rs. In Million)

Particulars	2023-2024	2022-2023
Sales & other income	9,639.84	9,623.20
Profit / (Loss) before Tax	1,356.94	1,222.75
Profit / (Loss) after Tax	1,037.62	918.13
Paid-up equity capital	250.93	250.93
Reserves and Surplus	7,539.16	6,499.74
Basic Earnings per share (in Rs.)	41.35	36.02

5. Foreign investments or collaborations, if any. Nil

2. INFORMATION ABOUT THE APOINTEE:

Particulars	Mr. Sundararajan Perumal Mudaliar
Background details	Mr.P.Sundararajan (DIN: 00003380), 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.
Past remuneration	During the year 2023-24, Mr.P.Sundararajan received a remuneration of Rs. 2.4 millions
Recognition or awards	Nil
Job profile and his suitability	Mr.P.Sundararajan (DIN:00003380), Chairman and Managing Director of the Company, is managing the overall affairs of the company and 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
Remuneration proposed	As set out in Item No.5 of the Notice

Particulars	Mr. Sundararajan Perumal Mudaliar
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	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
Pecuniary relationship directly or indirectly with the company, or relation 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 & Mrs.S.Shantha, Joint Managing Directors and Mrs.S.Latha, Executive Director of the Company

**3. OTHER INFORMATION:**

**1. Reasons of loss or inadequate profits:**

Not applicable as the Company has earned profits during the year.

**2. Steps taken or proposed to be taken for improvement:**

The Company has increased the production capacity. It has also taken effective cost control measures which would result in better profitability in the ensuing years.

**3. Expected increase in productivity and profits in measurable terms**

Not applicable

**4. DISCLOSURE:**

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", attached to the financial statement:

1. all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
2. details of fixed components and performance linked incentives along with the performance criteria;
3. service contracts, notice periods, severance fees; and
4. stock option details, if any, and whether the same had been issued at a discount as well as the period over which accrued and over which exercisable

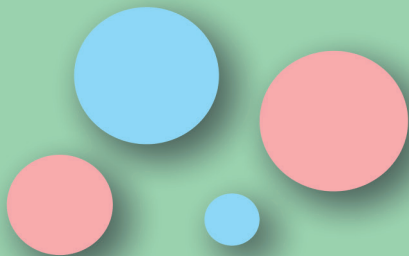
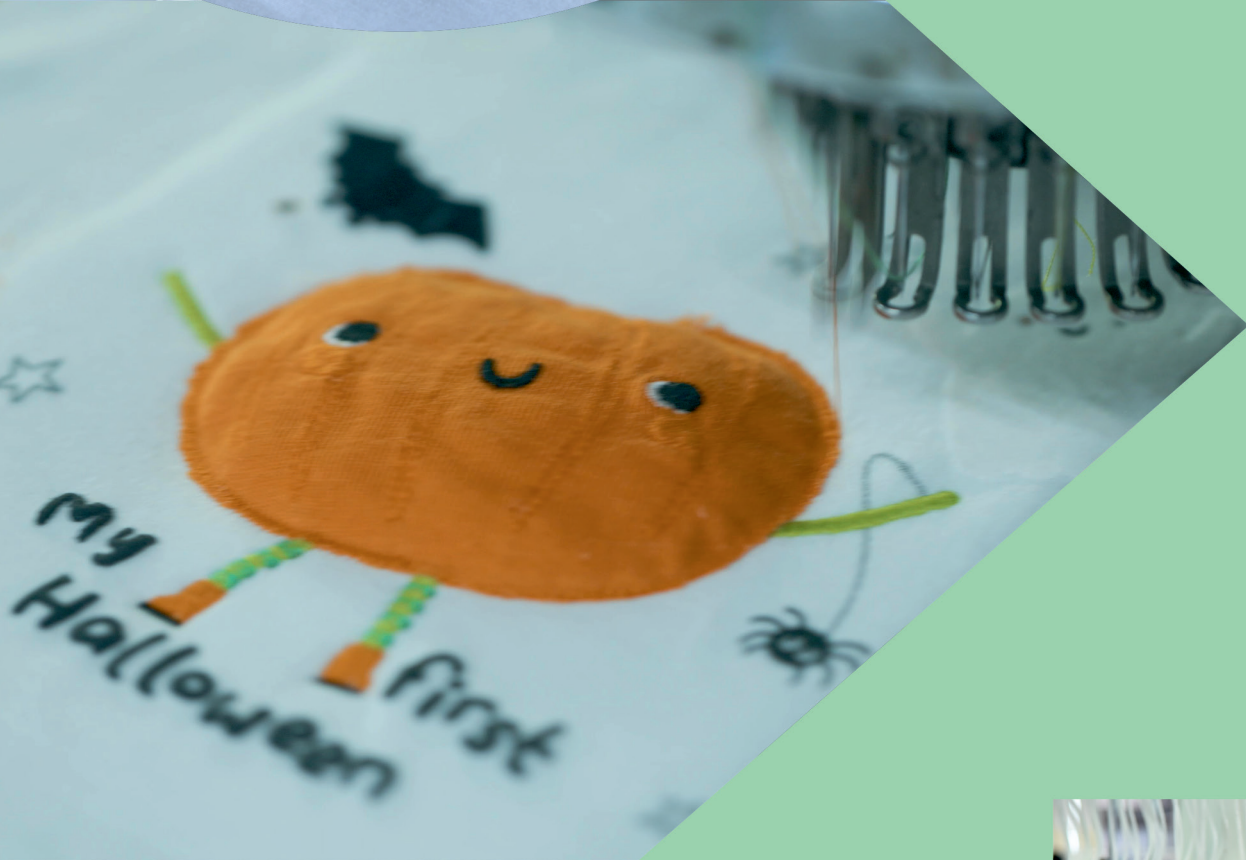
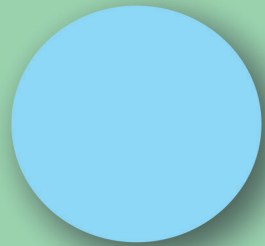
In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Secretarial Standards on General Meetings, brief profile of the Directors, who are proposed to be re-appointed (including payment of remuneration), nature of their expertise in specific functional areas, other directorships and committee memberships, their shareholding and relationship with other Directors of the Company are given below:

Name of the Director	Mrs. S Shantha	Mr. Sundararajan Perumal Mudaliar
DIN	00088941	00003380
Date of Birth/Age	04/12/1982 / 41 years	17/05/1956 / 68 years
Nationality	Indian	Indian
Date of appointment on the Board	11.08.2022	18.11.2005
Qualification	B.Tech (Textiles), MBA	B.Sc
Experience / Area of Expertise	She has a vast experience in Management & retail business	He has vast experience in Management & Garments
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Not Applicable.
No. of Shares held in the Company	10,771 Equity Shares of Rs. 10/- each.	1,25,38,759 Equity Shares
Inter-se Relationship with other directors	Related to Mr.P.Sundararajan, Chairman & Managing Director, Mrs.S.Latha, Executive Director and Mr.S.Chenduran, Joint Managing Director	Related to Mrs.S.Latha, Executive Director, Mrs.S.Shantha & Mr.S.Chenduran, Joint Managing Directors
Board position held	Joint Managing Director	Chairman and Managing Director
Terms of Appointment/ Re-appointment/ revision of remuneration	Liable to retire by rotation.	Revision in payment of remuneration for the period from 1st September 2024 till the remaining period of his present term i.e. till 20th November 2025
Remuneration sought to be paid	12 lakhs per annum	As per Item No. 5 of the resolution annexed to the Notice
Remuneration last drawn	12 lakhs per annum	
No. of Board Meetings attended during the year	6 (Six)	5 (Five)
List of Directorships held in other Companies	1. S.P. Retail Brands Limited 2. S P Superfine Cotton Mills Private Limited	1. Young Brand Global Private Limited 2. Young Brand Apparel Private Limited 3. Poornam Enterprises Private Limited 4. Crocodile Products Private Limited 5. S.P. Retail BrandsVentures Limited 6. S P Superfine Cotton Mills Private Limited
Details of Membership in Committees of Other Companies	Nil	
Names of listed entities in which the person has resigned in the past three years	Nil	











# **S. P. APPARELS LIMITED**

39-A, Extension Street,  
Kaikattipudur, Avinashi – 641 654,  
Tirupur District