PROSPECTUS
Dated August 6, 2016
Please read Sections 26 and32 of the Companies Act, 2013
Book Built Offer

S.P. APPARELS LIMITED

Our Company was incorporated in Avinashi,Tamil Nadu as S.P. Apparels Limited, a public limited company under Part IX of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 18, 2005 issued by the Registrar of Companies, Tamil Nadu located at Coimbatore. For further details, see the section "*History and Certain Corporate Matters*" on page 144.

Registered Office and Corporate Office: 39-A, Extension Street, KaikattipudurAvinashi 641 654, Tirupur District, Tamil Nadu, India
For information in relation to changes in our registered office, see the section "*History and Certain Corporate Matters*" on page144. **Tel:** +91 4296 304000; **Fax:** +91 4296 304280
Contact Person: Ms. K. Vinodhini,Company Secretary and Compliance Officer; **E-mail:**csoffice@s-p-apparels.com; **Website:** http://www.spapparels.com
Corporate Identity Number:U18101TZ2005PLC012295

OUR PROMOTERS: MR. P.SUNDARARAJAN AND MRS. S. LATHA

INITIAL PUBLIC OFFERING OF 8,922,375* EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF S.P. APPARELS LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹268 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹258 PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ 2,391.20 MILLION CONSISTING OF A FRESH ISSUE OF UP TO 8,022,375* EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹2,150 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 900,000 EQUITY SHARES AGGREGATING UP TO ₹241.20 MILLION BY NEW YORK LIFE INVESTMENT MANAGEMENT INDIA FUND (FVCI) II LLC (THE "SELLING SHAREHOLDER" AND SUCH OFFER OF EQUITY SHARES BY THE SELLING SHAREHOLDER, THE "OFFER FOR SALE"). THE FRESH ISSUE AND THE OFFER FOR SALE ARE TOGETHER REFERRED TO AS THE "OFFER". THE OFFER WILL CONSTITUTE 35.45%* OF THE FULLY-DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE OFFER PRICE FOR EACH EQUITY SHARE IS ₹268 AND IS 26.80 TIMES OF THE FACE VALUE OF THE EQUITY SHARE.

**Subject to finalization of Basis of Allotment.*

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), by issuing a press release, and also by indicating the change on the website of the book running lead managers(the "**BRLMs**") and the terminals of the other members of the Syndicate and by intimation to the Self Certified Syndicate Banks ("**SCSBs**") and the Registered Brokers.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), this is an Offer for at least 25% of the post-Offer capital. The Offer is being made through the 100%Book Building Process in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein not more than 50% of the Offer will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) is available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Categoryis available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer is available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, were required to mandatorily utilize the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"), to participate in the Offer.Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see the section "*Offer Procedure*" on page 363.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Offer Price of ₹268 is 26.80 times of the face value.The Offer Price (determined and justified by our Companyand the Selling Shareholder, in consultation with the BRLMs, as stated in the section "*Basis for Offer Price*" on page 89) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to the section "*Risk Factors*" on page 14.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder assumes responsibility only for statements expressly made by such Selling Shareholder in relation to itself in this Prospectus and the Equity Shares being offered by it in the Offer for Sale.

LISTING

The Equity Shares offered through thisProspectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 8, 2016 and January 29, 2016, respectively. For the purposes of the Offer, the Designated Stock Exchange will be the BSE. A copy of the Red Herring Prospectus dated July 19, 2016 and this Prospectus dated August 6, 2016 and all necessary attachments have been delivered for registration to the Registrar of Companies, Tamil Nadu located at Coimbatore as required under Section 26(4) of the Companies Act, 2013.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
MOTILAL OSWAL Investment Banking	CENTRUM	LINK Intime
Motilal Oswal Investment Advisors Private Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi Mumbai- 400 025, Maharashtra, India Tel: +91 22 3980 4200 Fax: +91 22 3980 4315 E-mail:spapparels.ipo@motilaloswal.com Investor Grievance E-mail:moiaplredressal@motilaloswal.com Website:http://www.motilaloswalgroup.com Contact person:Subodh Mallya SEBI Registration No.: INM000011005 CIN: U67190MH2006PTC160583	**Centrum Capital Limited** Centrum House, CST Road, Vidyanagari Marg Kalina, Santacruz (East), Mumbai 400 098 Maharashtra, India Tel: +91 22 4215 9000 Fax: +91 22 4215 9444 E-mail:spapparels.ipo@centrum.co.in Investor Grievance E-mail:igmbd@centrum.co.in Website: http://www.centrum.co.in Contact person:Aanchal Wagle SEBI Registration No.: INM000010445 CIN: L65990MH1977PLC019986	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup West Mumbai 400 078 Maharashtra, India Tel: +91 22 6171 5400 Fax: + 91 22 2596 0329 E-mail: spal.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance E-mail: spal.ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENED ON : AUGUST 2, 2016[1]	BID/OFFER CLOSED ON : AUGUST 4, 2016

[1] *The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date i.e., August 1, 2016.*

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation will be deemed to include all amendments and modifications notified as of the date of this Prospectus.

General Terms

Term	Description
"our Company" or "the Company" or "SPAL"	S.P. Apparels Limited, a public company incorporated under Part IX of the Companies Act, 1956, whose registered office is situated at 39-A, Extension Street, Kaikattipudur, Avinashi 641 654, Tirupur District, Tamil Nadu, India
"we" or "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company Related Terms

Term	Description
Articles or Articles of Association	The articles of association of our Company, as amended
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with the Listing Regulations and the Companies Act, 2013. For details see the section "*Our Management – Corporate Governance – Committees of the Board*" on page 161
Auditors or Statutory Auditors	The statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
CIPL	Crocodile International Pte. Ltd.
Compulsorily Convertible Preference Shares or CCPS	Compulsorily convertible preference shares of our Company of face value of ₹10 each
Corporate Social Responsibility Committee or CSR Committee	The committee of the Board of Directors constituted as our Company's corporate social responsibility committee in accordance with the Companies Act, 2013. For details see the section "*Our Management – Corporate Governance – Committees of the Board*" on page 161
CPPL	Crocodile Products Private Limited
Director(s)	The director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
Euro Asia	Euro Asia Agencies Limited
Group Entities	The companies that are covered under the applicable accounting standards (Accounting Standard 18) in the Restated Consolidated Financial Statements of our Company and any other company considered material by our Board, which are disclosed in the section "*Our Promoters, Promoter Group and Group Entities – Group Entities*" on page 172
Investment Agreement	The investment agreement dated March 18, 2013 between Euro Asia Agencies Limited and our Company
IPO Committee	The IPO Committee of the Board of Directors as described in the section "*Our Management – Corporate Governance – Committees of the Board*" on page 161
Memorandum or Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as our Company's nomination and remuneration committee in accordance with the Listing Regulations and the Companies Act, 2013. For details see the section "*Our Management – Corporate Governance – Committees of the Board*" on page 161
NYLIM India Fund II or the Selling Shareholder	New York Life Investment Management India Fund (FVCI) II LLC, an FVCI incorporated under the laws of the Republic of Mauritius and having its registered office at 4th Floor, Ebene Heights, 34 Cyber City, Ebene, Republic of Mauritius
Poornam	Poornam Enterprises Private Limited (previously, Poornam Beverages Private Limited)
Promoters	Mr. P. Sundararajan and Mrs. S. Latha
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations and which are disclosed in the section "*Our Promoters, Promoter Group and Group Entities – Promoter Group*" on page 171
Registered Office and Corporate Office	The registered office and corporate office of our Company, located at 39-A, Extension Street, Kaikattipudur, Avinashi 641 654, Tirupur District, Tamil Nadu, India
Registrar of Companies or RoC	The Registrar of Companies, Tamil Nadu situated at Coimbatore
Restated Consolidated Financial Statements	Restated consolidated financial statement of assets and liabilities for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and statement of profit and loss and statement of cash flows for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 for our Company and its Subsidiaries read along with all the notes thereto and included in the section "*Financial Statements*" on page 175
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and Restated Standalone Financial Statements

Term	Description
Restated Standalone Financial Statements	Restated standalone financial statement of assets and liabilities for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and statement of profit and loss and statement of cash flows for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 for our Company read along with all the notes thereto and included in the section "*Financial Statements*" on page 175
Risk Management Committee	The committee of the Board of Directors constituted as our Company's risk management committee in accordance with the Listing Regulations and the Companies Act, 2013. For details see the section "*Our Management – Corporate Governance – Committees of the Board*" on page 161
Redeemable Preference Shares or RPS	Redeemable preference shares of our Company of face value of ₹10 each
Shareholders	The holders of the Equity Shares
Slump Sale Agreement	Slump Sale Agreement dated July 31, 2015 between our Company and Poornam
SPUK	S.P. Apparels (UK) (P) Limited
SSSA	Share Subscription and Shareholders' Agreement dated October 26, 2006 among our Company, our Promoters and NYLIM India Fund II, as amended pursuant to an agreement dated December 23, 2015
Stakeholders' Relationship Committee	The stakeholders relationship committee of the Board of Directors as described in the section "*Our Management – Corporate Governance – Committees of the Board*" on page 161
Subsidiaries	The subsidiaries of our Company, namely: 1. Crocodile Products Private Limited; and 2. S.P. Apparels (UK) (P) Limited For details, see the section "*History and Certain Corporate Matters – Our Subsidiaries*" on page 149

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid
Allotment/Allot/Allotted	Allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer who applied under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations
Anchor Investor Application Form	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Allocation Price	₹268 for each Equity Share, being the final price at which Equity Shares have been allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus which was decided by our Company and the Selling Shareholder, in consultation with the BRLMs
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors were submitted and allocation to Anchor Investors was completed, i.e., August 1, 2016
Anchor Investor Offer Price	The final price at which Equity Shares have been Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price was decided by our Company and the Selling Shareholder, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category or up to 2,676,685 Equity Shares, which may be allocated by our Company and the Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus, authorizing an SCSB to block the Bid Amount in the ASBA Account. ASBA is mandatory for all Bidders (except Anchor Investors) participating in the Offer
ASBA Account	An account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders, which may be blocked by such SCSB to the extent of the Bid Amount
ASBA Bidder	Bidders (except Anchor Investors) in the Offer
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section "*Offer Procedure*" on page 363
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor

Term	Description
	Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations
Bid Amount	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account upon submission of such Bid cum Application Form
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as applicable, in terms of which a Bidder will make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and this Prospectus, whether applying through ASBA or otherwise
Bid Lot	55 Equity Shares and in multiples thereof
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids for the Offer, which was notified in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and Coimbatore edition of the Tamil newspaper Dinamani, each with wide circulation, i.e., August 4, 2016
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries will start accepting Bids for the Offer, which was notified in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and Coimbatore edition of the Tamil newspaper Dinamani, each with wide circulation, i.e., August 2, 2016
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders could submit their Bids, including any revisions thereof, i.e., from August 2, 2016 to August 4, 2016
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Book Building Process or Book Building Method	The book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, in this case being Centrum Capital and Motilal Oswal
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to the Anchor Investors, who will be allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	₹268 for each Equity Share, being the higher end of the Price Band above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted
Collecting Depository Participants or CDP	A depository participant as defined under the Depositories Act, 1996, registered with the SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Centrum Capital	Centrum Capital Limited
Cut-off Price	The Offer Price finalized by our Company and the Selling Shareholder in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which will collect the Bid cum Application Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Designated Date	The date on which funds are transferred by the Escrow Collection Banks from the Escrow Account, or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, as the case may be
Designated Intermediaries	Members of the Syndicate, Sub-syndicate Members, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders in relation to the Offer
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to CDPs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable =6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm)
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm)
Designated Stock Exchange	The BSE
Draft Red Herring Prospectus or	The draft red herring prospectus dated December 28, 2015 issued in accordance with the SEBI

Term	Description
DRHP	ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible FPIs	FPIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Escrow Account	Account opened with the Escrow Collection Banks and in whose favor the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement dated July 11, 2016 entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Refund Banks for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Escrow Collection Banks or Bankers to the Offer	The banks which are clearing members and registered with the SEBI as bankers to an issue and with which the Escrow Account for Anchor Investors have been opened, in this case being ICICI Bank Limited and IDBI Bank Limited
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form
Floor Price	₹258 for each Equity Share, being the lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price has been finalized and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to 8,022,375* Equity Shares aggregating up to ₹2,150 million by our Company ** Subject to finalization of Basis of Allotment*
Motilal Oswal	Motilal Oswal Investment Advisors Private Limited
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or 89,265* Equity Shares, which is available for allocation only to Mutual Funds on a proportionate basis ** Subject to finalization of Basis of Allotment*
Net Proceeds	The gross proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further information about use of the Net Proceeds and the Offer related expenses, see the section "*Objects of the Offer*" on page 77
Non-Institutional Category	The portion of the Offer being not less than 15% of the Offer or 1,338,370* Equity Shares, which is available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price ** Subject to finalization of Basis of Allotment*
Non-Institutional Investors/ NIIs	All Bidders, including Category III FPIs, that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Offer	The initial public offering of 8,922,375* Equity Shares for cash at a price of ₹268 each, aggregating up to ₹2,391.20 million comprising the Fresh Issue and an Offer for Sale by the Selling Shareholder ** Subject to finalization of Basis of Allotment*
Offer Agreement	The agreement dated December 28, 2015 among our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 900,000 Equity Shares aggregating up to ₹241.20 million by the Selling Shareholder
Offer Price	₹268 for each Equity Share, being the final price at which Equity Shares will be Allotted to successful Bidders (except Anchor Investors) in terms of this Prospectus. The Offer Price has been decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date
Price Band	Price band of a minimum price of ₹258 per Equity Share (Floor Price) and the maximum price of ₹268 per Equity Share (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer was decided by our Company and the Selling Shareholder in consultation with the BRLMs and was advertised in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and Coimbatore edition of the Tamil newspaper Dinamani, each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement will be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs finalized the Offer Price, i.e., August 6, 2016
Prospectus	This prospectus dated August 6, 2016 filed with the RoC in accordance with Section 26 of the Companies Act, 2013, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The bank account opened with the Banker to the Offer under Section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date, and into which the funds will be transferred by the SCSBs from the ASBA Accounts
Public Offer Bank	Bank with whom the Public Offer Account for collection of bidding amount from the Escrow Account and the ASBA Account will be opened, in this case being ICICI Bank Limited
QIB Category	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the

Term	Description
	Offer consisting of 4,461,160* Equity Shares, which will be allocated on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation will be on a discretionary basis, as determined by our Company and the Selling Shareholder, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price ** Subject to finalization of Basis of Allotment*
Qualified Institutional Buyers, QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus dated July 19, 2016 issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, and registered with the RoC on July 21, 2016, which did not have complete particulars of the price at which the Equity Shares have been offered and the size of the Offer, including any addenda or corrigenda thereto
Refund Account	The account opened with the Refund Bank, from which refunds (excluding to the ASBA Bidders), if any, of the whole or part of the Bid Amount will be made
Refund Bank	ICICI Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate
Registrar and Share Transfer Agents or RTAs	Registrars and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by the SEBI
Registrar to the Offer/Registrar	Registrar to the Offer, being Link Intime India Private Limited
Regulation S	Regulation S under the Securities Act
Retail Category	The portion of the Offer being not less than 35% of the Offer consisting of 3,122,845* Equity Shares, which is available for allocation to Retail Individual Investor(s), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price ** Subject to finalization of Basis of Allotment*
Retail Individual Investor(s)/ RIIs	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 (including HUFs applying through the Karta and Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s) QIBs and Non-Institutional Investors are not allowed to lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI, offering services in relation to ASBA, and a list of which is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, in this case being Link Intime India Private Limited
Share Escrow Agreement	The agreement dated July 11, 2016 entered into among the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and the credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate will accept Bid cum Application Forms from ASBA Bidders, a list of which is available at the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Sub-syndicate Member(s)	Such authorized representatives and/or sub brokers appointed by the members of the Syndicate to collect Bid cum Application Forms
Syndicate Agreement	The agreement dated July 11, 2016 entered into among the BRLMs, the Syndicate Members, our Company, the Selling Shareholder and the Registrar to the Offer in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being Motilal Oswal Securities Limited and Centrum Broking Limited
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Transaction Registration Slip or TRS	The slip or document issued by the Syndicate or the designated Intermediary (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement dated August 6, 2016 among the Underwriters, our Company, the Selling Shareholder and the Registrar to the Offer
Working Day(s)	All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
EBO	Exclusive Brand Outlet
EU-28	The European Union (EU) that comprises of 28 member states
FTP	Foreign Trade Policy of the Government of India
GST	Goods and Services Tax
ITC	International Trade Centre
LFS	Large Format Store
MBO	Multi Brand Outlet
Technopak	Technopak Advisors Private Limited
UAE	United Arab Emirates
UN Comtrade	United Nations Commodity Trade Statistics Database

Conventional Terms/Abbreviations and Reference to Other Business Entities

Term	Description
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative Investment Funds as defined and registered under the SEBI AIF Regulations
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category III FPIs	FPIs registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act	The Companies Act, 1956, as amended and to the extent effective and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	The Companies Act, 1956, as amended
Companies Act, 2013	The Companies Act, 2013, as amended and to the extent effective pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identification number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing Service
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term "FCNR(B) account" under the Foreign Exchange Management (Deposit) Regulations, 2000
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended, read with the rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FIIs	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year or Fiscal or Fiscal Year or FY	The period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GoI or Government or Central Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income-tax Act	The Income-tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority of India
IT Act	Information Technology Act, 2000, as amended

Term	Description
KYC	Know Your Customer
LIBOR	London Interbank Offered Rate
Listing Regulations	The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our company and each of the stock exchanges in relation to listing of the equity shares on such stock exchanges
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition (nine digit code appearing on a cheque leaf)
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently effective
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including NRIs, FIIs, FPIs, QFIs and FVCIs registered with the SEBI
NRE Account	Non-Resident External Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and will have the meaning ascribed to such term in as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NRO Account	Non-Resident Ordinary Account, and has the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income-tax Act
PAT	Profit After Tax
PIO	Persons of Indian Origin
PSAR Act	Private Security Agencies (Regulation) Act, 2005, as amended
PSS Act	Payment and Settlement Systems Act, 2007, as amended
QFIs	Qualified Foreign Investors as defined under the SEBI FPI Regulations
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FII Regulations	The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Securities Act	U.S. Securities Act, 1933, as amended
SEZ	Special Economic Zone
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended
SIPCOT	State Industries Promotion Corporation of Tamil Nadu
Sq. Ft. or sq. ft.	Square feet
Stock Exchanges	The BSE and the NSE
Supreme Court	The Supreme Court of India
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source

Term	Description
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

The words and expressions used but not defined herein will have the meanings assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections "*Statement of Tax Benefits*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Statements*", "*Outstanding Litigation and Material Developments*" and "*Main Provisions of the Articles of Association*" on pages 93, 140, 144, 175, 324 and 408, respectively, will have the meanings given to such terms in these respective sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" contained in this Prospectus are to the Republic of India, all references to "U.K." are to the United Kingdom and all references to the "U.S." or the "United States" are to the United States of America.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Prospectus is derived from our Company's Restated Financial Statements, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals (including percentages) have been rounded off to one or two decimals.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following year, so all references to a particular fiscal year, unless stated otherwise, are to the 12-month period ended on March 31 of that year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial statements has not been provided. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices and standards, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices and standards on the financial disclosures presented in this Prospectus should accordingly be limited.

Unless stated or the context requires otherwise, any percentage amounts, as set forth in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14, 122, and 285, respectively, and elsewhere in this Prospectus have been calculated on the basis of the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to "₹" or "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

All references to "£" or "GBP" are to the British Pound Sterling, the official currency of the United Kingdom.

All references to "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

All references to "€" or "Euro" are to the Euro, the official currency of the Eurozone.

Certain numerical information has been presented in this Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	March 31, 2016 (₹)*	March 31, 2015* (₹)	March 31, 2014* (₹)	March 31, 2013* (₹)	March 31, 2012* (₹)
1 GBP	95.0882	92.4591	99.8498	82.3209	81.7992
1 USD	66.3329	62.5908	60.0998	54.3893	51.1565
1 EUR	75.0955	67.5104	82.5765	69.5438	68.3403

Source: www.rbi.org.in

* *In case March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus have been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry and market data used in this Prospectus is reliable, it has not been independently verified by our Company, the Selling Shareholder, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "*Risk Factors*" on page 14. Accordingly, investment decisions should not be based on such information.

This Prospectus includes industry related information from a report published by Technopak, which has consented to the use of such information in this Prospectus subject to the following:

"This report is prepared by Technopak Advisors Private Limited (hereinafter "Technopak") on a strictly private and confidential basis exclusively for S.P. Apparels Limited. All information contained in the Report has been obtained by Technopak from sources believed by it to be true and reliable and after exercise of due care and diligence by us. However, such information is provided 'as is' without any warranty of any kind, and Technopak in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Any use which a third party makes of the work, or any reliance on or decisions to be made based on it, are the responsibility of such third parties. Investment decisions made or actions taken in connection with any proposed investment by a potential investor as a result of our work shall be the responsibility of such investor."

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "seek to", "likely", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe our Company's expected financial condition and results of operations, strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements contained in this Prospectus that are not statements of historical fact constitute "forward-looking statements".

Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- export of knitted garments for infants and children constitutes a significant portion of our business for which we do not have long-term sales contracts;
- our inability to meet our obligations, including financial and other covenants under our credit facilities;
- our inability to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business;
- exposure to the risks associated with fluctuations in foreign exchange rates;
- our inability to effectively manage our growth or to successfully implement our business plan and growth strategy;
- our dependency on a limited number of customers for significant portions of our export revenues;
- stringent labor laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees;
- our inability adapt to changing market trends and customer requirements in a timely manner, or at all; and
- changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14, 122 and 285, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, our Directors, the Selling Shareholder, the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of this Prospectus until the date of Allotment. The Selling Shareholder severally and not jointly will ensure with respect to the statements and undertakings specifically confirmed by it in this Prospectus that investors in India are informed of material developments from the date of this Prospectus until the date of Allotment.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares, the industry in which we operate or India and other regions we operate in. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, prospective investors should read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 122 and 285, respectively, as well as the other financial and statistical information contained in this Prospectus. In making an investment decision, prospective investors must rely on their own examination of our operations and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in the Offer.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See the section "Forward-Looking Statements" on page 13. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.

Internal Risks

Risks Related to our Business

1. ***We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business***

   Our Company was incorporated as S.P. Apparels Limited, a public limited company under Part IX of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 18, 2005 that was issued following an application to convert M/s S.P. Apparels, a partnership firm into a company. Our Company had existing business operations and borrowings at the time of such conversion and accordingly did not obtain a certificate of commencement of business as registration under Part IX of the Companies Act, 1956 was not a commencement of business for our Company but a continuation of the existing business operations of our Company.

   We require certain statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control board, importer-exporter code, registration and licenses issued under the Factories Act, 1948, as amended for our various manufacturing facilities, commissioning certificates and safety certificates from the state electricity board, registration certificates issued under various labor laws, including contract labor registration certificates and licenses. Our licenses, permits and approvals impose certain terms and conditions that require us to incur a significant cost and *inter alia*, restrict certain activities. There can be no assurance that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof.

   Further, certain approvals for our manufacturing facilities are required to be applied or renewed on an ongoing basis, and accordingly, we have made certain applications but not yet obtained the required approvals in relation to our operations from relevant authorities. For instance, we have applied to the

Tamil Nadu Pollution Control Board for licenses for our factories at Palladam, Koduvai, Puliyampatti and Pulliyampatti, but are yet to receive them. For further details, see the section "*Government and Other Approvals – Material licenses and approvals for which applications have been made by our Company*" on page 337.

We are also in the process of establishing an additional manufacturing facility at Netaji Apparel Park (NAP) for which we will apply for the necessary approvals as and when required.

In the future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavor to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations. For further information regarding licenses and approvals, see the section "*Government and Other Approvals*" on page 328.

2. ***We do not hold any copyright or other forms of intellectual property protection in relation to the designs of our products and the 'Crocodile' brand which could materially affect our business***

The designs for our knitted garments for infants and children are primarily provided to us by our customers and some of our large customers for our business of knitted garments for infants and children may obtain intellectual property protection for the designs we manufacture for them. Further, we do not own any intellectual property in relation to the 'Crocodile' brand and are dependent primarily upon the terms of a sub-license agreement dated March 31, 2015 between our Company and one of our Subsidiaries, CPPL and a technology license agreement entered into by CPPL with Crocodile International Pte. Limited ("**CIPL**") pursuant to which we have rights in relation to the manufacture, distribution and marketing of menswear products under the 'Crocodile' brand in India until July 31, 2021. CPPL is CIPL's exclusive licensee for manufacture and sale of products under the 'Crocodile' trademarks registered by CIPL in India. Such products use the 'Crocodile' trademarks registered in India or a portion of a 'Crocodile' trademark that is not separately registered in India.

6.43%, 3.39% and 3.35% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively were generated by the Company's retail business. Our Subsidiary, CPPL has paid royalty to CIPL amounting to ₹16.40 million, ₹5.34 million and ₹4.74 million for the Fiscal Years 2016, 2015 and 2014, respectively. Further, we have paid royalty of ₹7.20 million to our Subsidiary, CPPL for the period from October 2015 until March 2016. For further details, see the section "*History and Certain Corporate Matters – Other Material Agreements*" on page 153. There can be no assurance that such license agreement will be renewed on similar or favorable terms or at all.

Additionally, there is a legal proceeding pending against CIPL and our Subsidiary, CPPL, pursuant to which La Chemise Lacoste and Sports and Leisure Apparel Limited have filed a suit for injunction and damages for infringement of copyright and registered trademarks, passing off and unfair competition (Suit No. 894 of 2001 before the High Court of Delhi) against CIPL and CPPL alleging that use of a particular mark/device by CIPL and CPPL in India amounts to infringement of a trademark registered in the name, and infringement of copyright in that trademark owned by La Chemise Lacoste in India. The suit has been filed against CIPL and CPPL in relation to a particular mark/device among the 'Crocodile' trademarks, which is not presently being used in India by CPPL and is alleged to be deceptively similar to the trademark of La Chemise Lacoste in India. CIPL and CPPL have denied the allegations and prayed for a dismissal of this suit. The matter is currently pending before the High Court of Delhi. Any unfavorable decision in connection with such legal proceeding, or any other legal proceedings in connection with CIPL's rights in relation to the 'Crocodile' trademarks, or the use by CPPL of marks that are not separately registered in India, could lead to a restriction against the future use of such 'Crocodile' trademark by CIPL and CPPL and materially and adversely affect our business, financial condition and the results of our operations.

It is our policy to take precautions to protect our designs, trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers and we have written confidentiality agreements with our employees. However, it is possible that unauthorized disclosure of our trade secrets, designs or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets, designs and confidential information.

3. ***Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results***

As of March 31, 2016, our aggregate outstanding indebtedness was ₹2,593.64 million comprising of long-term borrowings, short-term borrowings and current maturities of long-term borrowings. The debt-equity ratio in respect of our aggregate outstanding indebtedness for the Fiscal Years 2016, 2015 and 2014 was 1.95, 2.45 and 3.16, respectively and the total costs incurred by our Company to service such outstanding indebtedness for the Fiscal Years 2016, 2015 and 2014 was ₹201.03 million, ₹273.15 million and ₹294.84 million, respectively. Our credit facilities contain certain restrictive covenants that may require the prior written approval of lenders and limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. For a description of the terms of our indebtedness, see the section "*Financial Indebtedness*" on page 309. Upon the occurrence of certain events or otherwise, certain lenders to our Company have the right to:

- appoint nominee Directors;
- review/revoke the sanction of the loan and in case the loan has already been disbursed, to withhold disbursement of the balance loan amount and to recall the loan already advanced in certain circumstances;
- impose penal/default interest;
- accelerate the facility and declare all amounts payable by our Company in respect of the facility to be due and payable immediately or otherwise payable on demand;
- enforce the security;
- upon the occurrence of an event of default, convert the whole or part of the outstanding amount of the facility into fully paid-up Equity Shares of our Company at a conversion price to be determined in accordance with applicable laws;
- review the management set-up or organization of our Company; and
- apply any restrictive conditions as imposed on our Company by another institution as are considered appropriate by such lender in relation to the assistance availed from it by our Company.

The financing arrangements entered into by our Company also have cross-default provisions with respect to other facilities availed of by our Company and provisions prescribing debt to equity and other financial ratios. Further, certain financing arrangements of our Company also entitle the lenders to cancel the undrawn amount of the facility in certain circumstances, including downgrading of the credit rating of our Company by a credit rating agency or adverse remark, qualified opinion or its equivalent by the auditors of our Company. We may be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments. Additionally, some of our borrowings may be secured against all or a portion of our assets, and lenders may be able to sell such assets to enforce their claims for repayment. Our failure to meet our obligations under credit facilities could have an adverse effect on our business and financial results.

The Company has previously delayed or defaulted on its obligation to repay dues to its lenders. For details in relation to such delays/defaults, see the section "*Financial Statements*" on page 175. We cannot provide any assurance that our business will generate sufficient revenue that enables us to repay our debt (including any interest) as and when it becomes due and payable. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot provide any assurance that we will be able to refinance any of our debt at commercially reasonable terms or at all. Our future borrowings may also contain similar restrictive provisions. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations and may also declare us as a 'wilful defaulter'. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financing on terms acceptable to us, our business, financial condition and results of operations may be adversely affected.

We have, in the past, experienced lower credit ratings for various debt facilities. While our credit rating has been upgraded to the current credit rating in August 2015, there can be no assurance that we will be able to maintain a good credit rating. A lower credit rating will have a bearing on the quantum of debt facilities we are able to raise and the terms of such debt facilities including interest rate on such debt facilities. In the event our credit rating is downgraded at any time, it will have an adverse impact on our business, financial condition and results of operations.

4. ***We have experienced negative cash flow from investing and financing activities in prior periods and cannot assure you that we will not experience negative cash flows in future periods. Any negative cash flows in operating activities in the future could have a material adverse effect on our financial condition, cash flows and results of operations***

We have in the past experienced negative cash flows from investing and financing activities. The details of our cash flows from operating activities, investing activities and financing activities for the Fiscal Years 2016, 2015 and 2014 is set forth below.

(Amount in ₹million)

S. No.	Particulars	For the period ended		
		March 31, 2016	**March 31, 2015**	**March 31, 2014**
1.	Net Cash generated from operating activities	481.29	835.91	580.97
2.	Net cash flow from/(used in) investing activities	(280.60)	(58.16)	(139.62)
3.	Net cash flow from/(used in) financing activities	(191.64)	(772.44)	(437.08)
	Net increase/(decrease) in cash and cash equivalents	**9.05**	**5.31**	**4.27**

We may in the future, also incur negative cash flow in operating activities or significant negative cash flows in investing and financing activities which could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be adversely affected.

5. ***Our Promoters, Directors and key management personnel may have interests in our Company other than normal remuneration or benefits and reimbursement of expenses incurred***

Our Promoters, Directors and key management personnel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares or other securities, held by them and their relatives (if any) and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and committee meetings (to the extent relevant). Our Promoters are also interested to the extent of the property leased to our Company or interest payable on unsecured loan borrowed by our Company from the Promoters. The total amount paid per annum by our Company to the Promoters and Promoter Group companies for the Fiscal Years 2016 and 2015 is as follows:

(Amount in ₹million)

Particulars	Amount Paid in FY 2016	Amount Paid in FY 2015
Royalty	Nil	Nil
Rent	8.69	4.38
Interest	Nil	Nil
Dividend*	44.00*	Nil
Remuneration	13.20	12.00
Use of Intellectual Property Rights	Nil	Nil
Others (including under any agreement, etc.)	-	Nil

* *The rate of dividend payable on the preference shares is 3% per annum for the first four years i.e. Fiscal Years 2012 to 2015 and 10% per annum for Fiscal Year 2016.*

For details of the related party transactions during the last five Financial Years, pursuant to the requirements under Accounting Standard 19 "Related Party Transactions", issued by the Institute of Chartered Accountants of India, see the section "*Financial Statements*" on page 175.

Further, our key management personnel may be interested to the extent of any transaction entered into by our Company with any other company or firm in whom they are directors or partners.

For more information, see the sections "*Our Management – Board of Directors*" on page 154 and "*Our Promoters, Promoter Group and Group Entities – Interest of Promoters and Common Pursuits*" on page 170. Our Promoters, Directors and our key management personnel may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

6. ***We have certain contingent liabilities that, if materialized, may adversely affect our business and financial results***

As of March 31, 2016, we had the following contingent liabilities in our summary statements pursuant to Accounting Standard 29 outstanding on a consolidated basis:

Particulars	As at March 31, 2016 (in ₹millions)
Outstanding export obligations for EPCG license	178.11
Bank Guarantees	4.40
ESI Demand	-
Income Tax Demand–disputed	34.09
Service Tax–disputed	0.54
VAT–disputed	5.02
Total	**222.16**

If the above-mentioned contingent liabilities materialize, our business and financial results may be adversely affected. For details, see the section "*Financial Statements*" from pages 175.

7. ***Export of knitted garments for infants and children constitutes a significant portion of our business for which we do not have long-term sales contracts***

Our export business for knitted garments for infants and children constitutes a significant portion of our business. 86.13%, 84.62% and 79.84% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively, were generated by our business of export of knitted garments products for infants and children (including duty drawback and other export incentives).

Typically, we do not enter into long-term sales contracts with any of our export customers for knitted garments for infants and children. We execute sales orders based on the purchase orders received from customers and manufacture our products to meet the requirements of our customers, as specified by them, in the purchase orders. Our customers generally place their orders at the start of each season, however since we do not enter into long-term sales contracts with them, there is no binding requirement for them to provide any orders.

Sales to each of our customers for knitted garments for infants and children are dependent on our ability to manufacture garments of acceptable quality that meet the customer's specifications and stringent quality requirements and to deliver such products on a timely basis. Customers can terminate their relationship with us due to a change in their policies, vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business. The loss of, or significant reduction in business from, our customers for knitted garments for infants and children could have a material adverse effect on our business, results of operations and financial condition.

8. ***We derive a significant portion of our revenue in British Pound Sterling and U.S. Dollar and hence are exposed to the risks associated with fluctuations in foreign exchange rates which could negatively impact our profitability and financial condition***

79.25% of our total revenue in Fiscal 2016 was earned from customers outside India and denominated in foreign currency in our business of knitted garments for infants and children. While a large portion of our expenses are paid in Indian Rupees, our revenues are mostly in foreign currencies, predominantly in British Pound Sterling and U.S. Dollar. The percentage of our foreign currency revenues in U.S. Dollar, Euro and British Pound Sterling earned in the last three Fiscal Years is set forth below:

Currency	Fiscal 2016	Fiscal 2015	Fiscal 2014
USD	51.23%	46.15%	42.47%
EUR	11.89%	7.30%	7.20%
GBP	36.88%	46.55%	50.33%

In the Fiscal Year 2016, we experienced a net gain on foreign currency transactions and translation of ₹42.53 million. However, we cannot assure you that we will experience such gains on our foreign currency transactions in the future. Additionally, following the results of a referendum held in the United Kingdom on June 23, 2016, there is uncertainty on the economic consequences of the departure of the United Kingdom from the European Union which has led to volatility and a reduction in the value of British Pound Sterling. Since a significant portion of our revenue is derived in British Pound Sterling, a reduction in the value of British Pound Sterling could have a material impact on our revenue and financial condition.

Our Company has a defined foreign exchange policy and we might, sometimes, take forward positions in anticipation of orders. However, these orders may not materialize and we might be required to account for any loss caused by these contracts. For more information on the material/salient features of our Company's foreign exchange policy, see the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 285.

Furthermore, we are also exposed to the risk of the strengthening of the Rupee. Once we receive an order from a customer and the price has been fixed, any appreciation of the Rupee during the manufacturing process may have an adverse impact on our competitiveness to complete the customer order at the agreed price. Adverse moves in exchange rates that we have not adequately hedged will have a material adverse effect on our operations, profitability and financial condition. We manage in part our foreign exchange risk by entering into forward contracts. However, currency hedging arrangements that we have entered into may not mitigate all, or substantially all, of the losses we may suffer as a consequence of any such fluctuations. For the Fiscal Year 2016, Fiscal Year 2015 and Fiscal Year 2014, we experienced mark to market foreign exchange gain/(loss) of ₹(3.61) million, ₹22.74 million and ₹(16.18) million, respectively.

9. ***Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy requires us to develop and strengthen relationships with existing customers for our business of knitted garments for infants and children who may drive high volume orders on an ongoing basis. To remain competitive, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets. Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our products;
- our ability to increase our customer base;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors, including in the knitted garments for infants and children category based in India and other markets that we currently or may operate in; and
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risk. We intend to pursue new customers globally for our business of knitted garments for infants and children.

Further, our plan is to enhance and develop our existing 'Crocodile' brand in India. By focusing further resources, including management time and effort, distribution and sales network, opening new company owned and operated stores and other retail outlets and brand management on developing the 'Crocodile' brand, we will be diverting our resources from our established business of manufacturing knitted garments for infants and children. Our inability to develop and grow our retail business segment despite diverting the required resources towards it could have a material adverse effect on our business, financial condition and profitability.

Any new product launches by our Company including in the women's essential garments category under the 'Natalia' brand owned by our Company will require additional resources such as considerable market research on designs and trends. For information on the Company's strategy in relation to the launch of the 'Natalia' brand, see the section "*Our Business – Our Strategy*" on page 124. There can be no assurance that such steps would lead to a successful launch of products in the women's essential garments category under the 'Natalia' brand. Neither we nor our Promoters have any operational experience in this segment/category and we have not generated any revenue from such operations/business in the past. Any failure on our part to be aware and keep up with the latest trends in such segment/category may adversely affect our competitiveness and ability to grow such business segment.

While we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

10. ***We depend on a limited number of customers for significant portion of our export revenues. The loss of one or more of our significant customers or significant reduction in production and sales of, or demand for our production from our significant customers may adversely affect our business, financial condition, result of operations and cash flows***

A significant proportion of our revenues have historically been derived from a limited number of customers. Over the last five Financial Years, more than 80% of our revenue from exports was contributed by our top five customers. For details in relation to our customers, see the section "*Our Business – Our Operations – Garments Division – Customers*" on page 128. The loss of orders from any of these significant customers will result in a considerable reduction in our revenue.

Our customers are predominantly based in the United Kingdom and our business depends significantly upon, and increases our exposure to adverse developments relating to, the general economic and other conditions in this geographical region. 80.10%, 84.61% and 80.65% of our total sales from exports for the Fiscal Years 2016, 2015 and 2014, respectively, were generated by our customers based in the United Kingdom. Any external risks including regional economic downturn or changes in the regulatory or trading environment in the United Kingdom may materially and adversely affect our business and financial results.

Additionally, following the results of a referendum held in the United Kingdom on June 23, 2016, there is uncertainty in relation to the economic consequences of the departure of the United Kingdom from the European Union. This may have an impact on the buying preferences and financial condition of our customers based in the United Kingdom as various international trade treaties/agreements may need to be renegotiated by the United Kingdom with other members of the European Union and other countries, including India. This may materially and adversely affect our business, cash flows and financial results.

Many of our customers operate across countries and we supply our products in various geographical regions in which they operate. As a result, loss of one or more of our significant customers operating in a particular region may result in a loss or non-renewal of orders from that customer across other geographical region(s) in which it operates and consequently affect our business, financial condition, result of operations and cash flows.

11. ***Some of our financing agreements require prior consent of our lenders for undertaking a number of corporate actions (including to undertake the Offer)***

Some of our financing arrangements require us to obtain the prior consent of our lenders to undertake certain corporate actions. A default by us under the terms of any financing documents may constitute a cross-default under our other financing agreements, which could result in the acceleration of repayment under those facilities as well, which may individually or in the aggregate, have a material adverse effect on our financial condition and results of operations. Any default and the consequences thereof may also result in a decline in the trading price of our Equity Shares and you may lose all or part of your investment. Further, any action initiated by a lender may result in the price of the Equity Shares being adversely affected along with our ability to obtain further financing from banks and financial institutions.

12. ***We are subject to stringent labor laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations***

Our manufacturing activities are labor-intensive. As of March 31, 2016, we had 9,147 full-time employees at our garments division and 37 full-time employees at our retail division. We are subject to a number of stringent labor laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers that imposes financial obligations on employers. Strikes, lock-outs and other labor action may have an adverse impact on our operations, and we cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, our third-party suppliers may experience strikes or other labor disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability.

We also enter into contracts with contract manufacturers who, in turn, employ on-site contract labor to perform certain operations. Although we generally do not engage such labor frequently, it is possible under Indian law that we may be held responsible for wage payments to the labor engaged by such contract manufacturers should they default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Any order from a regulatory body or court requiring us to make payments to such contract labor may have an adverse effect on our business, financial condition, results of operations and cash flows.

13. ***We may not be able to adapt to changing market trends and customer requirements in the menswear market in a timely manner, or at all***

The market for menswear in the country is highly competitive with several players present in various segments in brick and mortar stores and through third party e-commerce platforms. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors (located in brick and mortar stores and on third party e-commerce platforms), or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, manufacturing for a season begins well in advance of the season and we may not be able to incorporate the prevalent trends, or accommodate any sudden emergence of a new trend that may be germane to that season in the collection being released. If our competitors are able to cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, *inter alia*, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

14. ***Some of the Equity Shares held by our Promoter, Mr. P. Sundararajan have been pledged with the State Bank of Mysore and such pledge may be enforced in the event of any default by our Company***

Pursuant to the terms of the agreement of loan dated December 17, 2015 and related financing agreements, our Company has availed a corporate loan of ₹350.00 million from the State Bank of Mysore and as security for such loan, 4,375,000 Equity Shares held by our Promoter, Mr. P.

Sundararajan have been pledged in favor of the State Bank of Mysore, a scheduled commercial bank. Any default or breach under the above financing agreements pursuant to which such Equity Shares are pledged will entitle the State Bank of Mysore, *inter alia*, to enforce the pledge over such collateral and take ownership of the collateral and to sell the pledged Equity Shares to third parties. If this pledge is enforced, the shareholding of our Promoters in our Company may be reduced and we may face impediments in taking decisions on certain key, strategic matters and the lenders will be entitled to attend general meetings of our Company and exercise voting rights in respect of the collateral.

15. ***Our Company has borrowed certain unsecured loans that may be payable on demand***

As of August 4, 2016, our Company (on a standalone basis) had unsecured borrowings of ₹240.38 million. For information on our unsecured lenders, see the section "*Financial Indebtedness – Details of unsecured borrowings of our Company*" on page 320. Unsecured loans aggregating to ₹69.22 million that we have borrowed from our Promoters and Promoter Group are repayable by our Company as and when demanded. Additionally, following Fiscal Year 2017, the remaining unsecured loans borrowed from our Promoters and Promoter Group will also be repayable by our Company in accordance with the repayment terms of such loans. It may be difficult for us to manage our cash flow and ensure that sufficient funds are available at all times to repay our unsecured lenders. In the event of any default on the repayment of unsecured loan, the unsecured lender could initiate legal proceedings against us to recover the amount due to such unsecured lender together with interest and penalty. Any such legal proceedings will have a material adverse effect on our reputation, creditworthiness and financial condition.

16. ***We may be unable to manage our working capital requirements, which could materially impact our performance and results of operations***

There can be no assurance that our budgeting of working capital requirements for a particular year will be accurate. Our working capital requirements will increase as we intend to enhance our existing capacities and increase the level of backward integration at our manufacturing facilities. Further, if the purchase of raw materials by us does not accurately predict sourcing levels, customer trends or our expectations about customer needs, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may have an adverse effect on our operations and lead to loss of reputation, levy of liquidated damages and adverse impact on our cash flows. This could also have a material adverse effect on our business and financial condition.

17. ***Our Promoters have given personal guarantees in relation to certain financing arrangements provided to us by our lenders which may not continue after the completion of the Offer***

Under certain financial arrangements with our lenders, our Promoters have given personal guarantees for repayment of the credit facilities availed by us. We have historically depended on guarantees provided to our lenders by our Promoters in order to help fund our operations and business expansion. Our Promoters may not provide any financial or other support after the completion of the Offer. Additionally, if the financial condition of our Promoters deteriorates, our existing financing arrangements with our lenders may be adversely affected. We cannot assure you that such contributions to us by our Promoters will be on terms comparable with such past transactions or continue in future at all. This could have a material adverse effect on our business and financial condition.

18. ***There are certain legal proceedings pending against our Company, our Subsidiary, CPPL and the Promoters, which if determined against us, may have a material adverse effect on our business, financial results and reputation***

There are certain outstanding legal proceedings and claims, including criminal, tax and civil litigation, involving our Company, our Subsidiary, CPPL and the Promoters, which are pending at different levels of adjudication before various courts, tribunals and other authorities. The aggregate value of such claims against our Company our Subsidiary, CPPL and the Promoters is ₹69.16 million.

Certain criminal cases have been filed against our Company before the Motor Accidents Claims

Tribunal and in the Court of the Principal District and Sessions Judge, Tirupur. The amounts claimed in these proceedings have been disclosed in the section "*Outstanding Litigation and Material Developments – Litigation involving our Company*" on page 324 to the extent ascertainable and quantifiable and include amounts claimed jointly and severally by or from our Company and other parties. The aggregate value of claims against our Company arising from criminal litigation initiated against our Company is ₹22.70 million. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could increase our expenses. We have not made any provision for such expense on contingent liability and such expense on contingent liability could materially and adversely affect our reputation, business and financial results.

There are two pending direct tax proceeding and eight indirect tax proceedings involving our Company that are pending before different fora, aggregating to claims of ₹39.11 million against our Company. Additionally, one indirect tax proceeding is in the process of being settled by our Company. For details regarding litigation, notices and other proceedings against us, our Subsidiary, CPPL and our Promoters see the section "*Outstanding Litigation and Material Developments*" on page 324. We cannot assure you that any of these matters will be resolved in our favor or in favor of our Company or our Subsidiary, CPPL or our Promoters, or that no additional liability will arise out of these proceedings. Further, there is no assurance that similar proceedings will not be initiated against the above-mentioned entities in the future. This could materially and adversely affect our financial results and our reputation.

19. ***Our Company may not be able to obtain sufficient quantities or required quality of raw materials in a timely manner for our manufacturing operations which could have an impact on the timelines for supplying products to our customers***

Our business and operations are dependent on the timely availability of the desired quality of raw materials like cotton, specialized yarn, yarn and fabric at a reasonable cost.

Our primary raw material is cotton. The supply and quality of cotton is subject to adequate rainfall and other weather conditions. Any material shortage or interruption in the domestic supply or decrease in the quality of cotton due to shortage of rainfall or other factors like the widespread floods in the state of Tamil Nadu in November-December 2015, could affect our ability to timely deliver manufactured garments to our customers and adversely affect our operations.

Domestic cotton prices in India fluctuate based on the demand and supply in the market and there can be no assurance that the price levels of cotton will remain where they currently are or not significantly increase. Any fluctuation in cotton prices that results in an increase in raw material and production costs which we are unable to pass on to our customers would have a material adverse effect on our business.

20. ***Compliance with, and changes in, safety, health and environmental laws and related laws and regulations impose additional costs and may adversely affect our results of operations and our financial condition***

We are subject to a broad range of safety, health and environmental laws and related laws and regulations in the jurisdictions in which we operate, and may also be required by our clients to meet certain additional criteria with respect to safety, environment, health and labor. Such safety, health and environmental laws and regulations impose controls *inter alia* on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations and products. While we believe we are currently in compliance in all material respects with all applicable safety, health and environmental laws and regulations, the discharge of our or such third parties' raw materials that are chemical in nature or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the Government of India or other governments where we operate or to third parties. The scope and extent of any new environmental, health and safety regulations, including their effect on our operations and cash flows, cannot be predicted with certainty. The cost and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by Government authorities and our compliance cost may significantly exceed our estimates. Penalties imposed by regulatory authorities on us or on third parties upon whom we depend on may also disrupt our business and operations. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties or close down the production facilities for non-compliance. We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. For further details on environmental, health and safety regulations applicable to us, see the section "*Regulations and Policies – Other Regulation – Safety and Environmental Laws*" on page 142.

Further, we are subject to various regulations and textile policies, primarily in India. Our business, operations and growth prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which would have a material adverse effect on our business, financial condition and results of operations.

21. ***Any changes in regulations or applicable Government incentives would materially and adversely affect our operations and growth prospects***

The Government of India has provided several production and exports related incentives to the textile sector, from which we currently benefit including, the Revised Restructured Technology Upgradation Fund Scheme, the EPCG Scheme, the Duty Drawback Scheme and the Merchandise Exporter from India Scheme. As a result of these incentives, our operations in India have been subject to relatively lower tax liabilities.

In the Fiscal Years 2016, 2015 and 2014, our operating revenues earned from the Duty Drawback Scheme and other export incentives were ₹389.91 million, ₹337.22 million and ₹306.12 million.

These incentives could be modified or removed at any time, which could adversely affect our business and profitability. For instance, the Government of India had proposed a new National Textile Policy to come into effect from July 2015, which *inter alia*, would provide higher investment allowances for the textile and garments manufacturing industry. However, this policy has not yet been announced and notified. Furthermore, any failure on the part of our Company to adhere to the requirements of these incentives may result in our Company losing the benefit of some or all of these incentives and/or payment of penalties. Relevant authorities in India may also introduce additional or new regulations applicable to our business which could adversely affect our business and profitability.

22. ***We have filed an application for the trademark registration of our Company logo and cannot ensure that our intellectual property is protected from copying or use by others, including current or potential competitors. In the event that we are unable to adequately protect our intellectual property or use our name and corporate logo for any reason, our business, operations and reputation may be affected***

We have filed trademark applications, *inter alia*, in relation to the "S.P. Apparels" logo. For details, see the section "*Government and Other Approvals – Approvals in Relation to our Business – Intellectual Property*" on page 339. These trademark registrations have not been granted as of the date of this Prospectus. There can be no assurance that we will be able to obtain registration of the trademarks including for our Company logo in a timely manner, or at all, or that third parties will not infringe our rights in our trademarks, logo or brand name. If we are unable to obtain or maintain the registration of our trademarks or our Company logo, or are unable to prevent our competitors or other third parties from using our trademarks or our Company logo, we may not be able to carry on our business operations under such trademarks or logo, our competitive position may be adversely affected or we may not have protectable interests in our intellectual property. This may affect our brand value and consequently our business and operations.

We may, in the future, face claims and legal actions by third parties that are using, or disputing our right to use, our trademarks or our Company logo and we may be required to resort to legal action to protect our brand and reputation if the need arises. If the outcome of any such legal proceedings is adverse to us, we may not be able to adequately protect our brand and reputation, which could have a material adverse effect on our business.

23. ***We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes***

The composition of cotton, yarn and fabric and the general manner in which they are produced are well-known and well-established. As a result, our research and development efforts are primarily directed towards developing new and more efficient production processes that are typically applicable to the current range of products we manufacture. Like many of our competitors, we possess extensive technical knowledge about our products. Our know-how is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. We employ a high level of automation in our production processes, which result in high productivity and quality.

We also rely in part on mutual trust for protection of our trade secrets and confidential information relating to our manufacturing processes. It is our policy to take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers and we have written confidentiality agreements with our employees. However, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information.

Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar automation in production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations.

24. ***The products manufactured by our Company in relation to the 'Crocodile' brand are vulnerable to counterfeiting or imitation by third parties that may affect the reputation of our Company***

The products manufactured and sold by us under the 'Crocodile' brand are developed by our retail division for the relevant season based on prevailing trends. Our Company ensures that these products are exclusively manufactured by contract manufacturers for our Company and they are not permitted to sell these products. We maintain a close check and control over each stage of the production process and conduct quality checks at every stage. However, our 'Crocodile' brand of products are vulnerable to counterfeiting and imitation by third party vendors who may manufacture and sell products in the mass market at relatively cheaper prices. While we make constant checks in mass markets in an effort to prevent the sale of any counterfeit products of our 'Crocodile' brand, there can be no assurance that we will be able to prevent sale of counterfeit products at all time. Any sale of counterfeit or imitation products which does not match the quality standards of our products will adversely impact our reputation and may also affect our relationship with CIPL. It will also materially affect our business, prospects, results of operations and financial conditions.

25. ***Our operations are dependent upon third party transportation facilities and logistics, which are subject to uncertainties and risks***

We primarily depend on sea borne freight to deliver our products from our manufacturing facilities to our export customers. Such logistics providers are arranged on spot basis and in certain cases may not be insured for the full value of the load that they are carrying. We also rely on third parties to provide air, rail, trucking and other transportation facilities for the transfer of raw materials to our manufacturing facilities and the supply of finished products to our domestic customers. These transportation facilities may not be adequate to support our existing and future operations. Further, disruptions of transportation and logistics services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and airport and seaport facilities, or other events could impair our ability to supply our products to our customers in a timely manner. Any such disruptions could materially and adversely affect our business, reputation, financial condition and results of operations. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs and results of our operations.

26. ***We are dependent on a number of key management personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, financial results and prospects***

Our future success is highly dependent on our senior management to maintain our strategic direction and manage our current operations and to deploy the Net Proceeds and meet future business challenges that may also arise in relation to any of the Objects of the Offer. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the expertise, experience and services of Mr. P. Sundararajan, our Chairman and Managing Director and other members of our senior management team (including Mrs. P.V. Jeeva, the Chief Executive Officer of the garments division of our Company, Mr. V. Shankar Raam, the Chief Operating Officer of the retail division (EBO) of our Company and Mr. V. Harihara Subramaniam, who is Business Head (Wholesale) of the retail division of our Company) that are executing our growth strategy, have been integral to our business. For further details in relation to the experience of Mr. P. Sundararajan and our senior management team, see the sections "*Our Management – Board of Directors*" and "*Our Management – Key Management Personnel*" on pages 154 and 166, respectively. If one or more of these key management personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and prospects. We may take a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we are unable to hire and train replacement personnel in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results and prospects may be materially and adversely affected.

27. ***Certain assets of one of the members of our Promoter Group, Poornam, have been transferred to our Company on a slump sale basis and there can be no guarantee that the transferred operations of Poornam will be effectively integrated with our Company***

Pursuant to the transfer of certain assets of one of the members of our Promoter Group, Poornam Enterprises Private Limited as of August 1, 2015, the integration process is ongoing and could materially and adversely affect our retail business operations. The assets which have been transferred to our Company include lease agreements for company owned and operated stores in relation to the 'Crocodile' brand. The lessors in relation to such stores have been informed about the transfer of assets and fresh agreements are being executed. In addition, with effect from August 1, 2015, we have taken over certain liabilities including the term loan availed by Poornam from Muthoot Fincorp Limited to the extent of ₹30 million. We will also have to divert certain of our resources in managing these company owned and operated stores and integrating them with our current retail business operations which may impact our cash flows and financial condition.

28. ***In certain cases we engage contract manufacturers for fulfillment of orders placed by our customers. If our contract manufacturers' operations are interrupted for any significant period of time, our business and results of operations would be materially and adversely affected***

Our products are predominantly produced in our 21 operating manufacturing facilities located in or near the region of Avinashi, Tamil Nadu, India. In addition, we also engage contract manufacturers located in Tirupur and surrounding areas for fulfilment of orders placed by our customers. Such contract manufacturing facilities may also meet the requirements of other garments manufacturers that compete with us and offer better terms than us. Our contract manufacturers' production facilities are susceptible to operating risks, such as damage or interruption from human error, fire, flood, power loss, work stoppages, terrorist attacks, acts of war, theft, earthquake and other force majeure events. Any interruption in our contract manufacturing operations for any significant period of time could adversely affect the timely delivery of our products and our business and results of operations. In addition, refurbishments, installation of new plants and machinery, accidents or sustained bad weather at our contract manufacturers' facilities could result in production losses and delays in delivery of our products, which may adversely affect our operations and profitability. Production may also fall below historic or estimated levels as a result of unplanned disruptions.

There can be no assurance that in the event of any disruption in work on account of our contract manufacturers, we will be able to find alternate manufacturers on reasonable terms or at all which could adversely affect our operations and reputation.

29. ***We are dependent on our Promoters and will be controlled by our Promoters so long as they control a majority of the Equity Shares***

After the completion of the Offer, our Promoters will control, directly or indirectly, approximately 59.52% of our Company's outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making an offer or otherwise attempting to obtain control of us. As a result, the value of our Equity Shares may be adversely affected or you might be deprived of a potential opportunity to sell the Equity Shares at a premium.

30. ***Our Promoters have been issued Redeemable Preference Shares and their redemption, based on the terms of such shares, will result in an outflow of cash which may have a material adverse impact on the financial condition of the Company***

Our Promoters were allotted 20,000,000 Redeemable Preference Shares on September 22, 2011 upon conversion of an unsecured loan of ₹200 million. The Redeemable Preference Shares carry a coupon rate of 3% for the first four years and 10% thereafter and are redeemable at the expiry of ten years from the date of issuance. For further details of the Redeemable Preference Shares, see the section "*Capital Structure*" on page 66. Although, the Redeemable Preference Shares are cumulative in respect of divided payout and no dividend has yet been paid by the Company to the Promoters in relation to such Redeemable Preference Shares, the payment of any dividend to the Promoters will result in an outflow of cash. Additionally, the Redeemable Preference Shares are required to be repaid by our Company out of accumulated profits or out of fresh issue of capital. If we are unable to generate sufficient profits or raise fresh capital, it will affect our ability to repay the Redeemable Preference Shares. If we are not able to generate sufficient cash flows, the resultant cash outflow towards payment of dividend or redemption of the Redeemable Preference Shares may have a material adverse impact on the financial condition of the Company.

31. ***There may be possible conflicts of interests between us and the entities that are part of our Promoter Group or entities in which our Directors are interested***

The principal activities of S.P. Superfine Cotton Mills Private Limited and Perumal Spinning Mill Private Limited that are part of our Promoter Group, include, carrying on the business of spinning. As a result, there may be conflicts of interest between us and the members of our Promoter Group in addressing business opportunities and strategies. In addition, some of our Directors are also directors on the boards of our Promoter Group companies or other companies or entities engaged in, or whose memorandum of association enable them to engage in, the same business as us. As these entities do not have any non-compete agreements in place among themselves or with us, there is a conflict of interest between our Company and such Promoter Group companies. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner. For more information on the corporate entities that are part of our Promoter Group, see the section "*Our Promoters, Promoter Group and Group Entities*" and "*Related Party Transactions*" on pages 170 and 173, respectively.

32. ***There is significant competition in the retail sector which may have an impact on our retail division in relation to our 'Crocodile' menswear brand***

The retail sector in the garments industry is highly and increasingly competitive and our results of operations, in particular the retail division, which manufactures, distributes and markets the 'Crocodile' menswear garments and accessories brand are sensitive to, and may be materially and adversely affected by, competitive pricing and other factors. Competition may result in pricing pressure, reduced profit margin or lost market share or a failure to increase our market share, any of which could substantially harm our business and results of our operations.

We compete directly against wholesalers and direct retailers of garments, diversified garments companies with substantial market share, established companies selling internationally renowned brands as well as domestic retailers and regional competitors. Many of our competitors are large garments companies with strong brand recognition. However, the domestic garments segment is fragmented and continues to be dominated by unorganized and regional suppliers. We compete primarily on the basis of brand image, style, performance and quality. In order to compete effectively, we must continue to maintain and develop our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands and customer preferences and offer customers a wide variety of high quality garments at competitive prices.

Many of our competitors, specifically the international brands, have significant competitive advantages, including longer operating histories, larger and broader customer base, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution budgets and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand into other product lines or as other companies expand into other product lines. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, standards or customer preferences, which could result in a decline in our revenues and market share. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

33. ***We do not own certain land on which we have established facilities and we enjoy a leasehold right over such properties and any revocation or adverse changes in the terms of our leases may have an adverse effect on our business and financial results. Three of our lease agreements contain restrictive covenants that may affect our ability to conduct our business***

We lease certain premises from which we operate, including our Registered Office and the manufacturing facilities from the Promoters, third parties and SIPCOT. These lease agreements can be terminated at will by the relevant third parties and SIPCOT and could adversely affect our ability to conduct our business.

Our Company has entered into a lease agreement dated April 15, 2005 with SIPCOT, to lease an area of 25 acres for a period of 99 years to set-up a project in relation to processing of knitted fabrics. Our Company's dyeing unit is located on this land. Our Company has also entered into two lease agreements dated July 28, 2003 and May 25, 2005 with SIPCOT, to lease an area of 2.98 acres for a period of 99 years to set-up a project in relation to manufacture of garments.

Pursuant to the terms of the lease agreements mentioned above, if SIPCOT determines that the property is not being utilized by our Company for the purpose for which it was allotted or that the property is in excess of the requirements of our Company, then SIPCOT may cancel the allotment in respect of such excess land by the payment of a suitable refund to our Company. Our Company is required to obtain the written approval of SIPCOT prior to making any change to its constitution and board of directors, any change to its management or control, amalgamating our Company with any other company, transferring any interest of our Company to a third party and mortgaging the property as collateral for financial assistance from financial institutions and banks. There can be no assurance that SIPCOT will grant its consent in time or at all for various activities of our Company.

Any failure to obtain any consent, or comply with any condition or covenant under our lease agreements as mentioned above could lead to a termination of the lease and could adversely affect our ability to conduct our business.

Further, certain of our lease and leave and license agreements have not been registered or are not adequately stamped. If any of the owners of these premises revokes the arrangements under which we occupy the premises or imposes terms and conditions that are unfavorable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations or have to pay increased rent, which could have an adverse effect on our business and financial results. For details, see the section "*Our Business – Properties*" on page 132.

34. ***We are exposed to the credit risk of our franchisees for the 'Crocodile' brand, and any non-payment or non-performance by any of them could materially and adversely affect our financial condition and results of our operations***

We are exposed to payment delays and/or defaults by our franchisees that operate stores for the 'Crocodile' brand. Our financial position and profitability therefore depends on the creditworthiness of our franchisees. Certain of these franchisees may have weak credit history and we cannot assure that these parties will always be able to pay us in a timely manner, if at all. Any change in the financial condition of our franchisees that adversely affects their ability to pay us may materially and adversely affect the results of our retail operations and financial condition.

35. ***We have entered into and may in the future enter into related party transactions***

We have in the course of our business entered into, and will continue to enter into, several transactions with related parties including our Subsidiaries. For details, see the section "*Related Party Transactions*" on page 173. We cannot assure you that we will receive similar terms in our related party transactions in the future. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

36. ***Our insurance coverage may be inadequate to satisfy future claims against us***

We maintain insurance that we consider to be typical in our industry in India and in amounts which are commercially appropriate for a variety of risks, including fire, burglary, terrorist activities, group medical and group personal accident insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business and financial results.

37. ***Our Subsidiaries suffered losses in the past and may incur losses in the future. Further we have granted loans to our Subsidiaries which may not get repaid to us if our Subsidiaries continue to incur losses***

Our Subsidiary, CPPL has incurred losses in the Fiscal Years 2016 and 2014. The details of profit/loss incurred by CPPL for the preceding three Fiscal Years are as follows:

(Amount in ₹ million)

Name	Profit/(losses) after tax		
	Fiscal 2016	Fiscal 2015	Fiscal 2014
Crocodile Products Private Limited	(8.46)	76.23	(8.07)

Our Subsidiary, SPUK has incurred a loss in the Fiscal Year 2016. The details of profit/loss incurred by SPUK for the preceding three Fiscal Years are as follows:

(Amount in ₹million)

Name	Profit/(losses) after tax*	
	Fiscal 2016	Fiscal 2015
S.P. Apparels (UK) (P) Limited	(12.85)	-

* *SPUK was incorporated on November 10, 2014 (i.e., in FY2015) and accordingly no prior financial information is available.*

For further details on the financial information of our Subsidiaries, see the section "*History and Certain Corporate Matters - Our Subsidiaries*" on page 149 and the section "*Financial Indebtedness – Details of unsecured borrowings of the Subsidiaries*" on page 322 for details regarding unsecured loans granted to our Subsidiaries. Any losses incurred by our Subsidiaries may adversely impact our consolidated profits, operations and financial condition and their ability to repay the outstanding loan payable to us, which may have an impact on our cash flow and operations.

38. ***Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control, and we have not entered into definitive agreements in relation to the objects of the Offer***

The Offer includes an Offer for Sale of 900,000 Equity Shares by the Selling Shareholder in addition to a Fresh Issue aggregating up to ₹2,150 million. The entire proceeds after deducting relevant Offer related expenses from the Offer for Sale will be paid to the Selling Shareholder and our Company will not receive any such proceeds. For further details, see the section "*Objects of the Offer*" beginning on page 77.

We have not entered into any definitive agreements to utilize the net proceeds of the Offer. Our funding requirements have not been appraised by any bank or financial institution or any other independent entity and the proposed deployment of the Net Proceeds are based on management estimates, current quotations from suppliers and our current business plan is subject to change, in light of changes in external circumstances, costs, other financial condition or business strategies. Further, while we have received quotations from various vendors for the purchase of machinery for the proposed expansion and modernization of our manufacturing facilities, we have not yet purchased any machinery nor placed any orders in relation to such machinery. Moreover, some of the quotations and estimates may expire in due course and we may be required to obtain fresh quotations and estimates which we may be unable to obtain in a timely manner or at the same rates which may impact our estimates or assumptions for the proposed objects. We have also not yet entered into any lease or other definitive document in relation to any new store that we propose to establish for the sale of 'Crocodile' branded products.

Since the Offer is for less than ₹5,000 million, there is no requirement to appoint a monitoring agency in terms of the SEBI ICDR Regulations. While the Net Proceeds will be utilized in accordance with applicable law, we cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Further, we may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board. Additionally, various risks and uncertainties, including those set out in this section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business.

Further, according to the SEBI ICDR Regulations, net Offer proceeds pending utilization (for the stated objects) are required to be deposited only with the scheduled commercial banks. We cannot assure you that the returns on the funds parked in such accounts will be comparable to other instruments. Accordingly, the use of the Net Proceeds for purposes identified by our Company's management may not result in actual growth of its business, increased profitability or an increase in the value of your investment.

39. ***Our Company proposes to utilize a portion of the Net Proceeds to partly repay certain loans and accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets***

Our Company intends to use a certain portion of the Net Proceeds for the purposes of partial repayment of certain loans. For details in this regard see the section "*Objects of the Offer – Details of the objects of the Fresh Issue – Partial or full repayment or prepayment of debt by our Company*" on page 79. We believe that utilization of Net Proceeds for repayment of the loans could help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion. However, such repayment may not result in the creation of any tangible assets for our Company.

40. ***There is limited information available in the public domain on the export market for knitted garments for infants and children. Some of the reports referred to in this Prospectus were commissioned by our Company which have been used for industry-related data in this Prospectus and such data has not been independently verified by us***

We have obtained certain market data, industry forecasts and data used throughout this Prospectus from internal surveys, market research and publicly available industry, government and research information, publications and websites. We have also commissioned certain reports, including the *Technopak Report*, which may not be publicly available. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information is not guaranteed. Similarly, we have not independently verified this information and do not make any representation as to the accuracy of this information.

External Risks

Risks Related to India

41. ***We are subject to regulatory, economic, social and political uncertainties as well as natural disasters in India***

Our business and employees are largely located in and based out of India. Consequently, our financial performance and the market price of our Equity Shares will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Government of India and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. The rate of economic liberalization could change, and specific laws and policies affecting travel service companies, foreign investments, currency exchange rates and other matters affecting investments in India could change as well. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business, our prospects and our financial results.

Natural calamities could have a negative impact on the Indian economy and cause our business to suffer. India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. For example, in November-December 2015, the state of Tamil Nadu experienced widespread floods. The extent and severity of these natural disasters determines their impact on the Indian economy.

42. ***Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the garments industry in India. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

Additionally, the Government of India proposes to revamp the implementation of direct taxes. The Government of India has also proposed a comprehensive national goods and services tax, or GST, regime that will combine taxes and levies by the central and state governments into a unified rate structure.

The impact of any changes to Indian legislation on our business cannot be fully determined at this time. Additionally, our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Such unfavorable changes could decrease demand for our services and products, increase costs and/or subject us to additional liabilities. Any such changes could have an adverse effect on our business and financial results.

43. ***Our business is dependent on the Indian economy***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by center or state political instability or regional conflicts, a general rise in interest rates, inflation, economic slowdown elsewhere in the world or otherwise.

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

India's trade relationships with other countries can influence Indian economic conditions.

44. ***Indian garments exporters face significant competition in our principal markets***

We, as do all Indian garments exporters, face significant competition in our principal markets. Some of our competitors have significantly greater production and marketing resources than those available to us. Prior to January 1, 2005, export sales made to various countries (including the U.S. and the

European Union) were subject to quantitative restrictions ('quotas') imposed on imports from a number of countries, including India. All textiles and clothing products now trade internationally without quota restrictions. Resultant competition from our competitors, including low cost manufacturers from countries such as Vietnam, Pakistan and Bangladesh, is likely to drive prices for our products lower. Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new products and designs, competitors' pricing strategies and changes in consumer preferences and in general economic, political and social conditions in the countries in which we do business. Any failure by us to compete effectively, including in terms of the pricing of our garments, could have a material adverse effect on our business, financial condition and results of operations.

45. ***We are subject to international market and regulatory risks***

Developments in the international textile and garments markets could have an impact on our sales. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in international jurisdictions in which we operate or seek to sell our products. There can be no assurance that such jurisdictions will not impose trade restrictions in the future. Any such imposition of trade barriers could have a material adverse effect on our financial condition and results of operations. Any change in the duty structure that affects our ability to export garments to Europe, including the imposition of, or increase in the rate of, anti-subsidy or anti-dumping duties, may have an adverse effect on our net revenues.

The safety of children's and infant's apparel is highly regulated by various agencies worldwide and not only requires rigorous safety testing to ensure compliance with applicable standards, but also comprehensive performance testing to meet consumer expectations. While we have accredited in-house testing facilities to ensure such compliance, there can be no assurance that we will be able to adapt quickly to any change in international quality standards and such delay may have an adverse effect on our net revenues and results of operations.

46. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 could adversely affect our business, reputation and financial results***

The Competition Act, 2002 prohibits practices that could have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors which directly or indirectly determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition. Further, the Competition Act, 2002 prohibits the abuse of a dominant position by any enterprise either directly or indirectly, including by way of unfair or discriminatory pricing or conditions in the sale of goods or services, using a dominant position in one relevant market to enter into, or protect, another relevant market, and denial of market access, and such practices are subject to substantial penalties and may also be subject to compensation for losses and orders to divide the enterprise. Further, the Competition Commission of India has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. There can be no assurance that we will be able to obtain approval for such future transactions on satisfactory terms, or at all.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the Competition Commission of India or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or prosecution under the Competition Act, including by way of financial penalties, our business, financial results and reputation may be materially and adversely affected.

47. ***Under Indian law, foreign investors are subject to investment restrictions which may adversely impact the trading price of our Equity Shares***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain conditions), if they comply with the valuation, reporting and other requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, under its consolidated foreign direct investment policy, the Government of India has set out additional requirements for foreign investments in India, including requirements with respect to downstream investments by Indian companies, owned or controlled by foreign entities, and the transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to foreigners. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

48. ***Our ability to raise foreign capital may be constrained by Indian law***

As an Indian company, we are subject to exchange control regulations that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business and financial results.

49. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

50. ***Foreign investors may have difficulty enforcing foreign judgments against us or our management***

Our Company is incorporated under the laws of India. All our Directors and executive officers are residents of India and a substantial portion of our assets and those of such persons are located in India. As a result, it may not be possible for investors to affect service of process upon us or such persons in jurisdictions outside India, or to enforce against us or such parties judgments obtained in courts outside India based upon the liability provisions of foreign countries, including the civil liability provisions of the federal securities laws of the U.S.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Instead, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of The Code of Civil Procedure, 1908 of India, as amended (the "**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government of India has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The U.S. has not been declared by the Government of India to be a reciprocating territory for the purpose of Section 44A of the Civil Procedure Code. However, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be a reciprocating territory. Accordingly, a judgment of a court in the U.S. or another jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

51. ***Public companies in India are required to prepare financial statements under Indian Accounting Standards. The transition to Indian Accounting Standards in India is very recent and still unclear and our Company may be negatively affected by such transition***

Our financial statements, including the financial statements provided in this Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from the requirements of Indian GAAP. Accordingly, the degree to which the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Public companies in India are required to prepare annual and interim financial statements under Indian Accounting Standard 101 “First-time Adoption of Indian Accounting Standards” (“**Ind AS**”). On January 2, 2015, the MCA announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (the “**Indian Accounting Standard Rules**”) to be effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in the Financial Year 2015 and, implementation of Ind AS will be applicable from April 1, 2016 to companies with a net worth of ₹5,000 million or more that may be extended to other public limited companies. Further, any holding, subsidiary, joint venture or associate companies of the companies specified above will also be required to comply with such requirements.

Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company’s financial condition, results of operation, cash flow or changes in shareholders’ equity will not be presented differently under Ind AS than under Indian GAAP or IFRS. When our Company is required to adopt Ind AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

Risks Related to this Offer

52. ***Any future issuance of Equity Shares, convertible securities or other equity-linked securities of our Company may dilute your shareholding, and any such issuance and/or future sale of such securities***

by our significant shareholders, including our Promoters, may adversely affect the trading price of our Equity Shares

Any future issuance of our Equity Shares, convertible securities or other equity-linked securities by us may lead to a dilution of the investors' shareholding in our Company. Any such issuance and/or sale of our Equity Shares, convertible securities or other equity-linked securities of our Company in the public market after the completion of this Offer, including by our Promoters or other significant shareholders, or the perception that such primary or secondary sale could occur, may also adversely affect the trading price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoters will hold 59.52% of our Equity Share capital after this Offer. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares. We cannot assure you that our Company will not issue additional Equity Shares or that the Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

53. ***The Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer. After the Offer, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price***

The Offer Price of our Equity Shares will be determined by our Company and the Selling Shareholder in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under the section "*Basis for Offer Price*" on page 89 and may not be indicative of the market price for our Equity Shares after the Offer. Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, may bear no relationship to the market price of the Equity Shares after the Offer and may decline below the Offer Price. The market price of the Equity Shares after the Offer may be subject to significant fluctuations in response to, among other factors, variations in our operating results, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world. There can be no assurance that you will be able to resell their Equity Shares at or above the Offer Price.

54. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares.

55. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights, including relating to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

56. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position***

Under the Companies Act, 2013 a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in the Company may be reduced.

Prominent Notes

1. Offer of 8,922,375* Equity Shares for cash at a price of ₹268 per Equity Share, aggregating up to ₹2,391.20 million, consisting of a Fresh Issue of up to 8,022,375* Equity Shares aggregating up to ₹2,150 million by our Company and an Offer for Sale of up to 900,000 Equity Shares by the Selling Shareholder aggregating up to ₹241.20 million. The Offer will constitute 35.45%* of the post-Offer issued, subscribed and paid-up Equity Share capital of our Company.
** Subject to finalization of Basis of Allotment*

2. There has been no change in our Company's name since incorporation.

3. For details of changes in our Registered Office, see the section "*History and Certain Corporate Matters – Changes in the Registered Office*" on page 144.

4. As of March 31, 2016, our Company's net worth was ₹1,284.54 million as stated in our Company's Restated Standalone Financial Statements and ₹1,127.13 million as stated in our Company's Restated Consolidated Financial Statements.

5. As of March 31, 2016, the net asset value per Equity Share was ₹74.92 as stated in our Company's Restated Standalone Financial Statements and was ₹65.72 as stated in our Company's Restated Consolidated Financial Statements.

6. As of the date of filing of this Prospectus, the average cost of acquisition of Equity Shares by our Promoters was as follows:

Name of the Promoter	Average cost of acquisition per Equity Share (₹)
Mr. P. Sundararajan	10
Mrs. S. Latha	10

The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of the amounts paid by each of our Promoters to acquire Equity Shares. For further details, see the section "*Capital Structure – Notes to Capital Structure*" on page 66.

7. Our Company issued the following Equity Shares during a period of one year preceding the date of the Draft Red Herring Prospectus at a price which was lower than the Offer Price:

Date of Allotment	Name of the Entity	Number of Equity Shares Allotted	Issue Price per Equity Share (₹)	Nature of Consideration	Reason for/Nature of Allotment
June 26, 2015	Euro Asia	345,212	210	Conversion	Conversion of CCPS

8. Except as disclosed in the sections "*Our Promoters, Promoter Group and Our Group Entities*" and "*Related Party Transactions*" on pages 170 and 173, respectively, none of our Group Entities has business interests or other interests in our Company.

9. For details of related party transactions entered into by our Company with our Promoters, Group Entities and Subsidiaries in the last Fiscal Year, including the nature and cumulative value of such transactions, see the section "*Related Party Transactions*" on page 173.

10. There have been no financing arrangements whereby our Promoter Group, the Directors or their relatives have financed the purchase by any other person of the securities of our Company other than in the normal course of our business during the period of six months immediately preceding the date of filing of this Prospectus.

11. For any complaints, information or clarifications pertaining to the Offer, investors may contact the BRLMs who have submitted a due diligence certificate to the SEBI.

SECTION III: INTRODUCTION

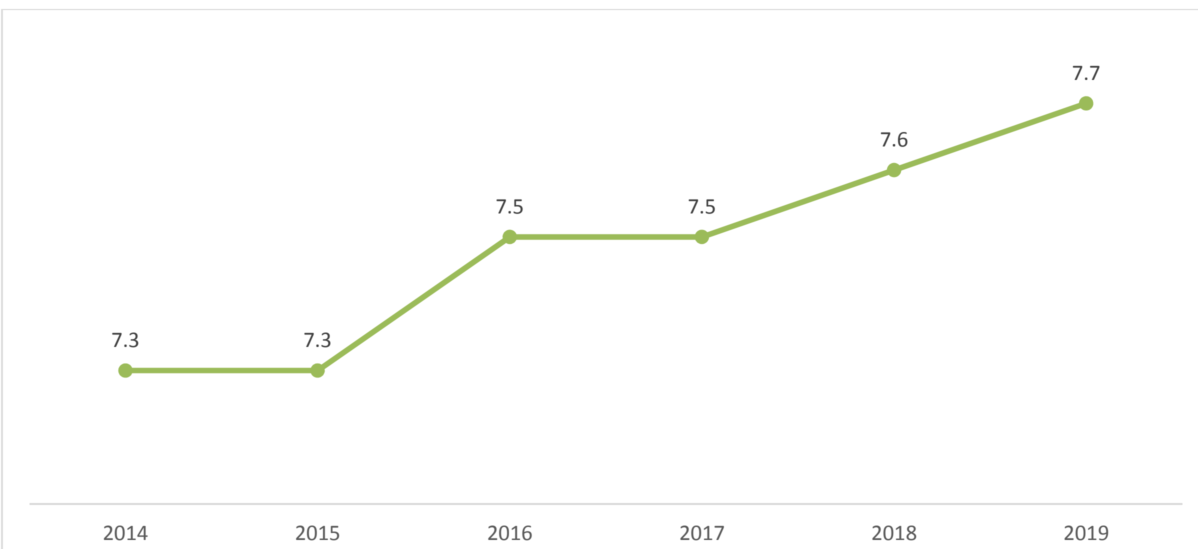
SUMMARY OF INDUSTRY OVERVIEW

The information contained in this section is derived from the report on the "Global Apparel Industry India's Apparel Exports and Domestic Apparel Market" issued by Technopak Advisors Private Limited ("Technopak") dated December 10, 2015, which was commissioned by our Company and other publicly available industry sources. *Neither we, nor the Selling Shareholder, the BRLMs or the financial, legal or other advisors or any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

Overview of the Indian Economy

India is the ninth largest economy of the globe after the United States, China, Japan, Germany, U.K., France, Brazil and Italy. The GDP of India, at current prices, stands at US$ 2.1 trillion which accounts to 2.65% of the world economy *(Source: International Monetary Fund)*. Critical economic factors like oil prices, foreign investments, Government's intent for reforms etc., have tilted in favor of the economy. Through improvement in policy decisions, business and consumer confidence, liberalization of FDI norms, promotion of investment in infrastructure and simplification of tax regime, the focus is returning back on the growth and revival of Indian economy. In addition to these, the country is in the early stage of the demographic dividend where population growth is accompanied by positive impact on the economic growth. India's real GDP is expected to grow at an annual growth rate of more than 7% for the next five years *(Source: International Monetary Fund)* (Exhibit 1).

Exhibit 1: Real GDP Growth Projection of India (%)



Source: International Monetary Fund

The Indian economy is broadly divided into three sectors that contribute to the GDP: agriculture and allied activities, industry and services. The contribution from agriculture is 17%, and that of industry and service sector is 18% and 65% respectively *(Source: Economic Survey 2014-15)*.

Global Textiles and Apparel Industry

Overview of Global Textiles and Apparel Industry

The global textiles and apparel value chain extends across boundaries of countries – while the developed economies like the United States, EU-28 and Japan are among the major consuming countries, most of the production takes place in developing and least developed countries due to low labor cost in these countries. In general, textiles and apparel manufacturing involves highly labor-intensive processes. This has resulted in distinct separation of the value chain into production hubs and consumption centres.

The global apparel market is estimated to be of US$ 1,350 billion in 2014 and is expected to grow at a CAGR of 4.6% between 2014 and 2019. Europe and the United States are the biggest apparel markets with sizes of US$ 425 billion and US$ 305 billion respectively in 2014. Menswear and womenswear contribute 83% to the total global apparel market while childrenswear contributes 17%. The childrenswear market is expected to grow faster (CAGR of 5.6%) than the overall apparel market (CAGR of 4.6%) between 2014 and 2019.

The global imports of textiles and apparel were valued at US$ 822 billion in 2014 (*Source: ITC*). The global imports are expected to grow at a projected CAGR of 5% to US$ 1,060 billion in 2019 *(Source: Technopak Analysis)*. It is expected that the imports of apparel will grow faster than that of textiles (which include fibres, yarn, fabrics and made-ups) owing to the increasing consolidation of textiles and apparel production activities in the same countries. The projected CAGR for apparel imports is 6% for the period between 2014 and 2019, while the imports of textiles are expected to grow at a CAGR of 4% in the same period (*Source: Technopak Analysis*).

Major Apparel Consuming and Producing Countries

Economically developed countries remain major consumption centres for apparel owing to higher per capita income and higher disposable income. Though in the recent years emerging countries like China, Brazil, India etc. have started demonstrating promising consumption potential, the developed countries still contribute the major share to the apparel market owing to their higher per capita consumption. Apparel production which is a labor-intensive industry, has shifted away from developed countries to developing and least developed countries due to the latter's cost competitiveness in manufacturing.

In 2014, the EU-28, the United States and Japan, together, accounted for 70% of the world's total imports of apparel *(Source: ITC, UN Comtrade)* (Exhibit 2). EU-28 was the single largest apparel importing block in 2014 with total imports value of US$ 182.3 billion *(Source: ITC, UN Comtrade)* (Exhibit 2). Within EU-28, Germany, U.K., France, Spain and Italy were the top importers of apparel.

Exhibit 2: Top Apparel Importing Countries

Region/Country	Import Value (US$ billion)	Import Value (%)		CAGR (%)
	2014	2009	2014	(2009-2014)
EU-28	182.3	48%	43%	3.8%
United States	85.7	21%	20%	5.1%
Japan	29.4	8%	7%	4.1%
Hong Kong	15.1	5%	4%	0.5%
United Arab Emirates	9.4	2%	2%	14.5%

Source: ITC, UN Comtrade, Technopak Analysis

Post Multi-Fibre Agreement (MFA) regime, China has emerged as a winner with a share of 36.6% in global apparel exports in 2014 *(Source: ITC, UN Comtrade)*. Bangladesh and Vietnam have registered impressive growth of their apparel exports in the period 2009 to 2014. The CAGR of apparel exports of Bangladesh was 18% in this period while that of Vietnam was 20.4%. Availability of low cost labor and duty-free access to Europe market have contributed to the growth of apparel exports of both Bangladesh and Vietnam. India with exports of US$ 16.5 billion accounted for 3.5% of global apparel exports in 2014. India's apparel exports have grown at a CAGR of 7.9% between 2009 and 2014 *(Source: ITC, UN Comtrade)* (Exhibit 3).

Exhibit 3: Apparel Exports of Top Manufacturing Countries

Region/Country	Export Value (US$ billion)	Export Value (%)		CAGR (%)
	2014	2009	2014	(2009-2014)
China	173.5	31.8%	36.6%	11.5%
Bangladesh	28.1	3.9%	6.0%	18.0%
Vietnam	21.1	2.6%	4.5%	20.4%
India	16.5	3.6%	3.5%	7.9%
Turkey	16.3	3.6%	3.4%	7.7%
Sri Lanka	4.7	1.0%	1.0%	8.5%
Pakistan	4.4	0.9%	0.9%	8.7%

Source: ITC, UN Comtrade, Technopak Analysis

China has started losing apparel manufacturing competitiveness in the global market owing to its increasing labor and energy cost. Additionally, the growing domestic market of China has forced many China based manufacturers to shift focus away from exports market to domestic market. Consequently, the share of China in global apparel exports, which was on an increasing trend in the previous decade, has lost pace in recent years.

Bangladesh and Vietnam lack integrated value chains and depend on imports for raw material and intermediary products, especially for cotton based apparel manufacturing which is predominantly used in infant and toddler apparel. Bangladesh also faces sporadic issues of social unrest, violation of safe working norms which are expected to affect its future growth in apparel exports. Most of the global brands as a part of their global supply chain mission prefer working only with socially compliant partners. Inadequate infrastructure, limited energy supply and over-dependence on basic apparel are additional challenges for growth of apparel exports of Bangladesh.

India has the advantage of an abundant supply of cotton (second largest producer of cotton), Government support for apparel manufacturing and a strong reputation of meeting stringent quality, environmental and social norms of international buyers. India also has expertise in manufacturing of apparel with embroideries, trims, patchworks and appliques which are often used in children'swear, especially in girlswear. India has the capability to meet design and product development requirements of western market which makes the country a sourcing destination of choice for buyers and buying offices that prefer to outsource designs from suppliers.

Apparel Market Growth v. Apparel Exports Growth

The growth of apparel exports has been higher than the growth of global apparel market for the period 2009 to 2014. This is because of the shifting of apparel manufacturing from consuming countries to producing countries. Apparel exports of major producing countries like China, Bangladesh, Vietnam, India, Turkey etc., in the last decade, have grown at a faster rate compared to the growth of overall global apparel exports (Exhibit 4). These countries have managed to acquire export orders at the expense of other countries that are no longer attractive for apparel manufacturing.

Exhibit 4: Global Apparel Market Growth Vs Exports Growth, CAGR (2009-14)

Source: Market Line, UN Comtrade, Technopak Analysis

SUMMARY OF OUR BUSINESS

Overview

We are a leading manufacturer and exporter of knitted garments for infants and children in India. These are manufactured at our integrated facilities that allow us to provide end-to-end garment manufacturing services from greige fabric to finished products. We also manufacture and retail menswear garments in India under the brand 'Crocodile'. We believe our core competency lies in our clear understanding of the specifications of knitted garments in the infants and children category, the buying preferences of our customers and our ability to deliver products of a consistent high quality that meet the product specifications and stringent compliance requirements of our international customers. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth.

Our Company is led by our Promoters, who are first generation entrepreneurs and have over the years grown the business of the Company to become the second largest exporter among manufacturers of knitted garments for infants and children in India in terms of revenue in the Fiscal Year 2014. *(Source: Technopak Report)* Our export business for knitted garments for infants and children constitutes a significant portion of our business. 86.13%, 84.62% and 79.84% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively, were generated by our business of export of knitted garments products for infants and children (including duty drawback and other export incentives). Our product range for knitted garments for infants and children includes body suits, sleep suits, tops and bottoms. For Fiscal Year 2016, we exported approximately 35.98 million pieces of knitted garments for infants and children directly to our international customers, including TESCO and Primark. We also manufacture and retail menswear garments in India under the brand 'Crocodile' pursuant to a sub-license granted to us by one of our Subsidiaries, CPPL. For more information in relation to the sub-license, see the section "*History and Certain Corporate Matters – Summary of Certain Agreements – Other Material Agreements*" on page 153. We are considering the launch of products in the women's essential wear category under the 'Natalia' brand owned by our Company, subject to compliance with applicable law. For this purpose, our designers have developed a part of the product range; basic samples have been manufactured and the process for identifying packaging material for such products is currently in progress.

Our facilities are equipped to provide various products within the garments manufacturing production chain to our customers. Our business consists of two main divisions – (i) garments division (for manufacture and export of knitted garments for infants and children); and (ii) retail division (for manufacture, distribution and marketing of products in India under the brand name 'Crocodile').

We have two Subsidiaries, Crocodile Products Private Limited ("**CPPL**") and S.P. Apparels (UK) (P) Limited ("**SPUK**"). CPPL, which is a joint venture between our Company and Crocodile International Pte. Ltd. ("**CIPL**"), is engaged in the business of, *inter alia*, establishing and managing units to manufacture, trade, deal, import and export garments and has entered into a technology license agreement with CIPL for the exclusive manufacture, distribution and marketing of menswear products under the trademark 'Crocodile' in India. 6.43%, 3.39% and 3.35% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively were generated by the Company's retail business. We sell the 'Crocodile' branded products through a sales and distribution network that includes 40 exclusive brand outlets, of which 37 are company owned operated stores and three are franchise stores, and third-party e-commerce platforms. We also have agreements with distributors in relation to the sale, marketing and distribution of 'Crocodile' products. SPUK was incorporated in 2014 to explore possible marketing opportunities and engage in trading activities with new customers in the United Kingdom, Ireland and other European countries. SPUK has a design studio and has hired experienced designer consultants that provide design support services to our customers. SPUK also provides after sales service to our customers for any technical and other grievance.

Our 21 operating manufacturing facilities and the manufacturing facility at Netaji Apparel Park (NAP) which we are in the process of establishing, are located in and around the region of Avinashi, Tamil Nadu, India and within a radius of approximately 125 kilometres of our Registered Office. The wide range of infrastructure and machinery at our facilities for production of yarn, dyeing of fabric, sewing, cutting, printing, embroidery and finishing of garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner. Our design, testing, fitment and quality inspection laboratory helps us in delivering products of high quality that comply with the stringent standards set by our customers. The proximity of our manufacturing facilities and our integrated set-up allows us to optimize our operations and service for our customers in a timely manner.

Our strong focus on quality has helped us become the preferred vendor of choice for certain of our large international customers. In recognition of our high quality of manufacturing operations, we have been awarded the 'Gold Supplier Award' by TESCO in 2013, 'Values Award' by TESCO in 2011-12 and 'Trading Fairly Award' for setting benchmarks in Tirupur for compliance with labor standards, investing in workers and supporting community projects by TESCO in 2009.

In November 2014, we received safety awards from the Directorate of Industrial Safety and Health, Government of Tamil Nadu for the least number of accidents during the calendar years 2011 and 2010.

On a restated consolidated basis, we generated total revenues of ₹5,377.54 million, ₹4,792.33 million and ₹4,520.73 million for the Fiscal Years 2016, 2015 and 2014, respectively. We recorded a net profit of ₹347.14 million, ₹100.48 million and ₹66.67 million for the Fiscal Years 2016, 2015 and 2014, respectively.

Our Competitive Strengths

Our operating history in the garments manufacturing business has helped us gain significant expertise and makes us well-positioned to maintain our status as one of the largest exporters among manufacturers of knitted garments for infants and children. We believe that the following strengths enable us to compete successfully in our market:

We have a key customer base with reputed international brands

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our commitment to quality and customer service practices have been strong contributing factors to our robust customer relations. Over the years, we have steadily developed a robust base of international retailers of garments for infants and children, including with reputed established brands with global operations such as TESCO and Primark. Even though we do not have any long-term supply agreements with them, we have continually received repeat business from many of our international customers and are proud to be a preferred vendor for certain of our customers. This indicates their level of confidence in our ability to understand latest trends and ensure timely delivery of quality products.

We are one of the leading manufacturers for export of knitted garments for infants and children in India

Over the years, we have developed the expertise to concurrently manage multiple large orders as well as developed a diversified product range which has helped our Company to grow into one of the leading manufacturers of knitted garments for infants and children in India.

We currently operate 21 manufacturing facilities in and around the region of Avinashi, Tamil Nadu, India with advanced plant and machinery. We also have integrated facilities for embellishments such as designing, embroidery, printing, sewing and cutting of the garments. Our manufacturing operations are supported by a wide range of infrastructure facilities. As of March 31, 2016, we owned 4,874 sewing machines, eight cutting machines, 79 embroidery machines, 17 printing machines, 16,896 spindles and 22 dyeing machines.

We produced approximately 39.10 million, 31.06 million and 31.95 million pieces of knitted garments for infants and children in the Fiscal Years 2016, 2015 and 2014, respectively. With our current and expected economies of scale, we consider ourselves to be one of the few integrated garment manufacturing companies of knitted garments for infants and children in India.

Our ability to set-up units that are integrated with our operations allows us to scale-up our operations

In addition to manufacturing of garments, our key strength is our ability to set-up and provide all necessary facilities at various units and efficiently manage such units from a centralized location that has helped us to efficiently scale-up our operations in a short period of time. We have the experience of setting-up units that are integrated with our manufacturing and production operations and at present have 21 such manufacturing facilities. Such experience of setting-up these units could enable us to set-up new facilities at any viable location in India that is in close proximity to the sources of raw materials and labor.

We benefit from our specialization in the manufacture of garments for infants and children

We specialize in the manufacture and export of knitted garments for infants and children. This is a highly challenging segment in the knitted garments industry as it is labor-intensive and it is imperative to follow stringent safety procedures and maintain high quality standards. Further, this segment requires more variety and small batch size orders to cater to the growth need of infants and children which increases the complexity of manufacturing in comparison to other knitted garments. There are severe restrictions and stringent requirements on the use of chemicals, dyes and other additives in the manufacture of knitted garments for infants and children. Infants and children could be susceptible to infection if the quality of chemicals and dyes used in such garments does not comply with the prescribed restrictions. Therefore, our customers require us to maintain extremely rigorous and strict checks on compliance with all necessary quality and safety standards. We exercise stringent quality control checks consisting of inspection and testing of cotton, yarn, fabric, trims and packing materials and of each piece of garment for metal bits/needle tips/sharp edges/broken needles prior to packing. Our experience in the garments manufacturing industry and proven ability to manufacture knitted garments for infants and children adhering to such quality standards enables us to capitalize on growth opportunities in the garments manufacturing industry of knitted garments for infants and children both in Indian and other international markets.

We have strong in-house design, testing, fitment and quality inspection facilities

Our core competency lies in our understanding of our customers buying preferences and behaviour along with the stringent quality and compliance requirements of this industry. This is supplemented by our dedicated design and merchandising team located at our Corporate Office in India and design consultants hired by our Subsidiary, SPUK. We have a team of professionals, including designers, who are supported by the latest technology for developing products and styles which are based on prevalent fashion trends. We have the necessary facilities and expertise to create and implement design specifications and requirements of our customers.

Design development, sampling and fitment form an integral part of our operations and are considered as an effective tool for converting customer’s need into a finished product. Further, we have set-up testing laboratories that are accredited by the National Accreditation Board for Testing and Calibration Authorities, Department of Science and Technology, India. Over the last few years, in keeping with the trend of increasing process outsourcing, our customers rely on our laboratories for testing fabrics and finished products before they are sold at their stores. We have in-house facilities that help us and our customers save time and costs and provide us with a competitive advantage over other manufacturers.

We have an experienced management team led by our Promoters and key management personnel

Our management team is well-qualified and experienced in the garments industry and has played a key role in the sustained growth of our operations. Our team led by the Chairman and Managing Director Mr. P. Sundararajan has successfully managed the various phases of expansion, growth and consolidation of our business and operations and has 31 years of experience in the garments industry. The Chief Executive Officer of the garments division of our Company, Mrs. P.V. Jeeva, has been associated with our Company since July 1, 1986 and has approximately 30 years of experience in the textile and apparel industry. Our management is also supported by an experienced and technically qualified execution team. Mr. V. Shankar Raam, the Chief Operating Officer of the retail division (EBO) of our Company, has approximately 21 years of experience in the fields of finance, accounts and marketing and Mr. V. Harihara Subramaniam, who is Business Head (Wholesale) of the retail division of our Company, has approximately 13 years of experience in the field of marketing.

Our Strategy

Our business strategy is as set forth below.

Enhancing existing capacities and improving operational efficiencies

We have continuously invested in infrastructure at our manufacturing facilities and over the years have been able to maintain a high level of quality. We have set aside ₹701.60 million from the proceeds of this Offer towards enhancing our capacities in various production processes and increasing the level of backward integration. For more information on the proposed enhancements to our capacities, see the section “*Objects of the Offer – Details of the Objects of the Fresh Issue – Expansion and modernization of our manufacturing facility at Valapady, Salem, Tamil Nadu*” on page 81. Such enhanced capacity and backward integration should lead to a reduction of cost and wastage and create savings on account of packing and transportation of yarn for intermediate transfer to a knitting facility. Further, with the addition of the knitting facility, we will be able to achieve complete backward integration of our operations. This will help us to increase quality control in the production process, achieve better production planning for deliveries and higher level of customization of capacities leading to increased operational efficiencies.

The expected economies accruing from the backward integration of our operations will be utilized towards the manufacturing operations of our Company. Accordingly, the requirement of any incremental working capital will arise only as our operations expand. Additionally, by repaying a considerable amount of outstanding term loan facilities from the Net Proceeds, we will reduce our debt. Consequently, the internal accruals of our Company will increase to that extent and we will utilize this amount for our working capital requirements in relation to the expansion and modernization of our manufacturing facilities.

Deepening our product penetration with existing customers and increasing our customer base

As a global trend, several top brands and retailers are increasingly emphasizing on in-house product development and designing by manufacturing companies. Our in-house testing facilities, product development and designing team along with the stringent quality checks differentiates us from our competitors. Our accredited testing laboratories, along with a professional design team has led to some of our customers outsourcing their testing, inspection and design functions to us. Furthermore, our Subsidiary SPUK has also started conducting fitment tests for certain of our customers on their behalf. These value added services not only help us become a preferred vendor for certain of our customers, but could also help us in increasing revenues.

We intend to continue developing and strengthening our existing relationship with our customers for knitted garments for infants and children. We are focusing on deepening our relationship with existing customers and increasing our customer base by increasing the range of products we manufacture and supply to them. We intend to diversify and expand our customer base globally.

Strengthening our Retail presence

Growing aspiration levels of people in Tier II, III and IV cities in India along with rising brand awareness and higher disposable income makes these smaller urban areas as focal points for our expansion. We intend to capitalize on this opportunity to grow our menswear products under the ‘Crocodile’ brand. Our first phase of expansion will be through company owned and operated stores that would demonstrate the demand of the locations where we plan to increase our presence. We also plan to enhance the presence and sale of the ‘Crocodile’ products in these areas through exclusive brand outlets and multi-brand outlets. Currently, most of our company owned and operated stores, exclusive brand outlets and multi-brand outlets are situated in Tamil Nadu, Andhra Pradesh and Karnataka. Pursuant to our growth strategy and to further increase our presence, we are proposing to expand in 18 states in India through setting-up of company owned and operated stores.

We are considering the launch of products in the women’s essential wear category under the ‘Natalia’ brand owned by our Company, subject to compliance with applicable law. For this purpose, our designers have developed a part of the product range, basic samples have been manufactured and the process for identifying packaging material for such products is currently in progress. Based on our interaction with customers, as well as on industry reports, we believe there are opportunities for growth in this category and propose to leverage our manufacturing capabilities and scale of operations to take advantage of such opportunities.

Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in its products and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our manufacturing facilities with the latest and specialized infrastructure and modern technology. We have installed the Eton conveyor system that automates the sewing assembly line and control workflows through productivity measurement. We also employ advanced semi-automated storage and retrieval system (ASRS) for efficient warehouse/inventory management. We have installed the Orgatex software system that automates the processes related to dyeing. We want to continue to work towards the upgradation and modernization of our infrastructure and technology. We intend to set-up a warehouse for our retail operations to support the expanded distribution network.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Statements for and as of the Financial Years 2016, 2015, 2014, 2013 and 2012 prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations. The summary financial information presented below should be read in conjunction with our Restated Financial Statements and the sections "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on pages 175 and 285, respectively

Standalone Summary Statement of Assets and Liabilities, as restated

(Amount in ₹ million)

	Particulars	As at				
		31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
A	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a) Share capital	371.45	440.49	440.49	368.00	368.00
	(b) Reserves and surplus	1,113.09	723.44	624.65	553.14	521.73
		1,484.54	**1,163.93**	**1,065.14**	**921.14**	**889.73**
2	**Non-current liabilities**					
	(a) Long-term borrowings	648.77	693.96	883.71	971.49	1,401.01
	(b) Deferred tax liabilities (net)	372.50	316.88	172.47	121.96	102.25
	(c) Long-term provisions	40.69	15.04	-	-	-
		1,061.96	**1,025.88**	**1,056.18**	**1,093.45**	**1,503.26**
3	**Current liabilities**					
	(a) Short-term borrowings	1,621.54	1,565.89	1,728.29	1,626.12	1,644.72
	(b) Trade payables	1,155.05	1,192.16	1,059.98	1,069.56	883.99
	(c) Other current liabilities	353.10	283.99	419.48	665.50	547.48
	(d) Short-term provisions	104.24	72.26	41.28	26.70	36.38
		3,233.93	**3,114.30**	**3,249.03**	**3,387.88**	**3,112.57**
	TOTAL (A)	**5,780.43**	**5,304.11**	**5,370.35**	**5,402.47**	**5,505.56**
B	**ASSETS**					
1	**Non-current assets**					
	(a) Fixed assets					
	(i) Tangible assets	2,692.05	2,669.44	2,755.13	2,895.44	2,720.27
	(ii) Intangible assets	101.20	15.06	20.32	25.59	30.85
	(iii) Capital work-in-progress	35.65	100.00	-	-	264.59
		2,828.90	2,784.50	2,775.45	2,921.03	3,015.71
	(b) Non-current investments	83.27	69.25	63.74	64.24	64.24
	(c) Long-term loans and advances	269.34	213.27	149.35	102.83	82.52
		3,181.51	**3,067.02**	**2,988.54**	**3,088.10**	**3,162.47**
2	**Current assets**					
	(a) Current investments	1.65	3.19	7.08	9.15	9.20
	(b) Inventories	1,297.85	1,088.54	1,265.71	1,270.95	1,239.76
	(c) Trade receivables	860.42	761.75	552.54	512.84	569.57
	(d) Cash and bank balances	101.43	67.02	143.56	59.77	57.70
	(e) Short-term loans and advances	335.02	312.98	404.67	459.28	466.86
	(f) Other current assets	2.55	3.61	8.25	2.38	-
		2,598.92	**2,237.09**	**2,381.81**	**2,314.37**	**2,343.09**
	TOTAL (B)	**5,780.43**	**5,304.11**	**5,370.35**	**5,402.47**	**5,505.56**

The accompanying summary of restated financial information (Annexures - 5 to 22) forms an integral part of this statement.

Standalone Summary Statement of Profit and Loss, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
REVENUE					
Revenue from operations (gross)	5,368.80	4,757.78	4,521.11	4,292.94	4,013.86
Less: Excise duty	-	-	-	-	1.77
Revenue from operations (net)	**5,368.80**	**4,757.78**	**4,521.11**	**4,292.94**	**4,012.09**
Other income	48.63	66.93	12.19	7.55	13.07
Total revenue	**5,417.43**	**4,824.71**	**4,533.30**	**4,300.49**	**4,025.16**
Expenses					
(a) Cost of materials consumed	2,076.80	1,955.56	1,753.46	1,600.33	1,442.08
(b) Purchases of stock-in-trade (traded goods)	307.63	133.23	115.48	143.36	158.39
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(288.39)	32.72	239.17	(11.34)	(70.52)
(d) Employee benefits expense	1,199.72	990.77	750.86	775.94	735.29
(e) Finance costs	252.44	311.53	355.63	346.28	401.27
(f) Depreciation and amortisation expense	207.15	197.47	175.11	167.84	162.09
(g) Other expenses (including the impact of qualification)	1,180.87	948.53	1,017.95	1,225.87	1,128.33
Total expenses	**4,936.22**	**4,569.81**	**4,407.66**	**4,248.28**	**3,956.93**
Profit / (Loss) before exceptional and extraordinary items and tax	481.21	254.90	125.64	52.21	68.23
Exceptional items [Income / (Expense)](Refer Note 2.2 to Annexure 4)	-	-	-	-	-
Profit / (Loss) before extraordinary items and tax	**481.21**	**254.90**	**125.64**	**52.21**	**68.23**
Extraordinary items	-	-	-	-	-
Profit / (Loss) before tax	481.21	254.90	125.64	52.21	68.23
Tax expense / (benefit):					
(a) Current tax expense	66.89	53.43	28.76	11.36	14.94
(b) (Less): MAT credit	(14.88)	(53.43)	(25.14)	(10.45)	(13.18)
(c) Wealth Tax	-	-	-	0.18	-
(d) Deferred Tax	55.62	145.73	50.51	19.71	(51.85)
Net Tax expenses	**107.63**	**145.73**	**54.13**	**20.80**	**(50.09)**
Profit / (Loss) for the period / year, as restated	**373.58**	**109.17**	**71.51**	**31.41**	**118.32**

The accompanying summary of restated financial information (Annexures - 5 to 22) forms an integral part of this statement.

Standalone Summary Statement of Cash Flows, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and exceptional item	481.21	254.90	125.64	52.21	68.23
Adjustments for:					
Depreciation and amortization expense	207.15	197.47	175.11	167.84	162.09
(Profit) /loss on sale of assets	0.52	(1.05)	(0.93)	0.61	(0.85)
Net (gain)/loss on sale of investments	-	-	(0.29)	-	(1.20)
Bad debts and loans and advances written off	0.30	1.77	6.16	0.19	0.08
Reversal of Deferred Employee compensation expenses	-	-	-	-	-
Provision for doubtful trade receivables	0.95	0.40	(10.24)	6.48	-
Excess provision written back	-	-	-	-	-
Finance costs	253.70	311.53	355.63	346.28	401.27
Interest income	(4.86)	(5.19)	(9.39)	(3.74)	(7.59)
Unrealised exchange (gain)/loss	(1.26)	1.87	5.84	-	-
Provision for MTM (gain)/loss on forward contracts	3.61	(22.74)	16.18	(44.20)	(22.86)
Dividend income	(0.03)	-	-	(0.73)	(0.67)
Operating profits before working capital changes	**941.29**	**738.96**	**663.71**	**524.94**	**598.50**
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(209.30)	177.17	5.24	(31.19)	(278.56)
Trade receivables	(95.13)	(215.34)	(38.84)	50.25	(84.34)
Loans and advances/Current assets	(76.80)	6.43	19.98	34.99	48.65
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables/Other current liabilities/Provisions	(1.90)	155.19	(48.83)	218.06	34.26
Cash Generated from Operations	**558.16**	**862.41**	**601.26**	**797.05**	**318.51**
Net income tax (paid) / refunds	(68.89)	(29.25)	(15.16)	(10.40)	(9.83)
Net Cash from Operating Activities before exceptional item	**489.27**	**833.16**	**586.10**	**786.65**	**308.68**
Exceptional Item	-	-	-	-	-
Net cash flow from / (used in) operating activities	**489.27**	**833.16**	**586.10**	**786.65**	**308.68**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Capital expenditure on fixed assets, including capital advances	(258.10)	(149.80)	(77.91)	(98.33)	(378.46)
Proceeds from sale of fixed assets	3.25	2.18	12.85	6.23	253.57
Bank deposits not considered as cash equivalents	(34.04)	80.73	(78.84)	17.37	(5.19)
Purchase of investments	(14.01)	(5.51)	-	-	-
Proceeds from sale of investments	1.54	3.89	2.86	0.05	4.20
Dividend received - Others	0.03	-	-	0.73	0.67
Interest received - Bank deposits	5.93	9.83	3.52	1.36	7.59
Net cash flow from / (used in) investing activities	**(295.40)**	**(58.68)**	**(137.52)**	**(72.59)**	**(117.62)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Issue of Share capital	-	-	72.49	-	-
Proceeds/(repayment) of long term borrowings	8.43	(287.00)	(240.02)	(373.22)	(242.96)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Proceeds/(repayment) of short term borrowings	52.16	(160.29)	99.52	(18.60)	445.08
Finance costs	(254.05)	(322.98)	(375.65)	(302.80)	(401.27)
Net cash flow from / (used in) financing activities	**(193.46)**	**(770.27)**	**(443.66)**	**(694.62)**	**(199.15)**
Net increase / (decrease) in Cash and cash equivalents	0.41	4.21	4.92	19.44	(8.09)
Cash and cash equivalents at the beginning of the year	39.89	35.70	30.75	11.31	19.40
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.05)	(0.02)	0.03	-	-
Cash and cash equivalents at the end of the year	**40.25**	**39.89**	**35.70**	**30.75**	**11.31**
Cash and cash equivalents at the end of the year comprises of					
(a) Cash on hand	25.84	6.55	2.97	5.76	6.17
(b) Balances with banks					
in current account	14.41	33.34	32.73	24.99	4.79
in EEFC account	-	-	-	-	0.35
	40.25	**39.89**	**35.70**	**30.75**	**11.31**

The accompanying summary of restated financial information (Annexures - 5 to 22) forms an integral part of this statement.

Consolidated Summary Statement of Assets and Liabilities, as restated

(Amount in ₹ million)

	Particulars	For the year ended				
		31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
A	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a) Share capital	371.45	440.49	440.49	368.00	368.00
	(b) Reserves and surplus	955.68	592.73	503.39	436.73	413.09
		1,327.13	**1,033.22**	**943.88**	**804.73**	**781.09**
2	Minority Interest	(59.18)	(53.35)	(49.80)	(47.72)	(44.39)
3	**Non-current liabilities**					
	(a) Long-term borrowings	678.80	728.23	920.08	1,001.20	1,424.39
	(b) Deferred tax liabilities (net)	371.98	316.66	172.47	121.96	102.25
	(c) Long-term provisions	40.53	14.88	-	-	-
		1,091.31	**1,059.77**	**1,092.55**	**1,123.16**	**1,526.64**
4	**Current liabilities**					
	(a) Short-term borrowings	1,626.61	1,565.89	1,728.29	1,626.12	1,644.72
	(b) Trade payables	1,167.52	1,214.80	1,074.57	1,104.63	899.28
	(c) Other current liabilities	354.65	287.28	422.01	668.05	549.64
	(d) Short-term provisions	104.24	89.47	41.22	26.48	36.31
		3,253.02	3,157.44	3,266.09	3,425.28	3,129.95
	TOTAL (A)	**5,612.28**	**5,197.08**	**5,252.72**	**5,305.45**	**5,393.29**
B	**ASSETS**					
1	**Non-current assets**					
	(a) Fixed assets					
	(i) Tangible assets	2,701.14	2,680.36	2,768.59	2,907.84	2,727.22
	(ii) Intangible assets	9.56	15.06	20.32	25.59	30.85
	(iii) Capital work-in-progress	35.65	0.00	0.00	0.00	264.59
		2,746.35	2,695.42	2,788.91	2,933.43	3,022.66
	(b) Goodwill on consolidation	58.68	58.68	58.68	58.68	58.68
	(c) Non-current investments	3.78	4.56	0.00	0.50	0.50
	(d) Long-term loans and advances	290.15	232.29	158.06	111.53	90.13
		3,098.96	2,990.95	3,005.65	3,104.14	3,171.97
2	**Current assets**					
	(a) Current investments	1.65	3.19	7.08	9.15	9.20
	(b) Inventories	1,275.07	1,073.12	1,252.54	1,257.01	1,229.02
	(c) Trade receivables	816.10	742.94	541.97	509.24	567.55
	(d) Cash and bank balances	111.29	68.48	143.93	60.78	58.17
	(e) Short-term loans and advances	306.66	314.79	293.30	362.75	357.38
	(f) Other current assets	2.55	3.61	8.25	2.38	0.00
		2,513.32	2,206.13	2,247.07	2,201.31	2,221.32
	TOTAL (B)	**5,612.28**	**5,197.08**	**5,252.72**	**5,305.45**	**5,393.29**

The accompanying summary of restated financial information (Annexures - 5 to 21) forms an integral part of this statement.

Consolidated Summary Statement of Profit and Loss, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
REVENUE					
Revenue from operations (gross)	5,328.25	4,725.66	4,508.72	4,285.03	4,007.86
Less: Excise duty	-	-	-	-	1.77
Revenue from operations (net)	5,328.25	4,725.66	4,508.72	4,285.03	4,006.09
Other income	49.29	66.67	12.01	3.88	10.08
Total revenue	**5,377.54**	**4,792.33**	**4,520.73**	**4,288.91**	**4,016.17**
Expenses					
(a) Cost of materials consumed	2,323.22	2,027.52	1,830.41	1,708.48	1,574.94
(b) Changes in inventories of finished goods and work-in-progress	-281.03	34.97	238.40	(8.14)	(69.14)
(c) Employee benefits expense	1,211.42	999.90	760.88	786.37	745.36
(d) Finance costs	252.72	311.60	355.71	343.26	403.38
(e) Depreciation and amortisation expense	201.00	199.67	176.16	168.85	163.14
(f) Other expenses (including the impact of qualification)	1,221.57	974.42	1,040.45	1,248.70	1,152.64
Total expenses	**4,928.90**	**4,548.08**	**4,402.01**	**4,247.52**	**3,970.32**
Profit / (Loss) before exceptional and extraordinary items and tax	448.64	244.25	118.72	41.39	45.85
Exceptional items (Expense) (Refer Note 2.2 to Annexure 4)	-	-	-	-	-
Exceptional items Income (Refer Note 2.2 to Annexure 4)	-	-	-	-	-
Profit / (Loss) before extraordinary items and tax	448.64	244.25	118.72	41.39	45.85
Extraordinary items	-	-	-	-	-
Profit / (Loss) before tax	448.64	244.25	118.72	41.39	45.85
Tax expense / (benefit):					
(a) Current tax expense	66.89	70.65	28.76	11.64	14.95
(b) (Less): MAT credit	-14.88	(68.89)	(25.14)	(10.45)	(7.60)
(c) Wealth Tax	-	-	-	0.18	-
(d) Deferred Tax	55.32	145.73	50.51	19.71	(51.85)
Net Tax expenses	107.33	147.49	54.13	21.08	(44.50)
Profit / (Loss) for the period / year before share of Minority Interest	**341.31**	**96.76**	**64.59**	**20.31**	**90.35**
Minority Interest	**-5.83**	**(3.72)**	**(2.08)**	**(3.33)**	**(6.72)**
Profit / (Loss) for the year, as restated	**347.14**	**100.48**	**66.67**	**23.64**	**97.07**

The accompanying summary of restated financial information (Annexures - 5 to 21) forms an integral part of this statement.

Consolidated Summary Statement of Cash Flows, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and exceptional item	448.64	244.25	118.72	41.39	45.85
Adjustments for:					
Depreciation and amortization expense	201.00	199.67	176.16	168.85	163.14
(Profit) /loss on sale of assets	0.52	(1.05)	(0.93)	0.68	(0.80)
Net (gain)/loss on sale of investments	-	-	(0.29)	-	(1.20)
Bad debts written off	0.30	1.77	6.16	0.19	0.08
Reversal of Deferred Employee compensation expenses	-	-	-	-	-
Provision for doubtful trade receivables	0.95	0.40	(10.24)	6.48	-
Provision no longer required written back	-	-	-	-	-
Creditors no longer payable written back	-	-	-	-	(0.11)
Finance costs	252.72	311.60	355.71	343.26	403.38
Interest income	(4.86)	(5.20)	(9.41)	(0.71)	(4.56)
Unrealised exchange (gain)/loss	3.50	1.87	5.84	-	-
Provision for MTM (gain)/loss on forward contracts	3.61	(22.74)	16.18	(44.20)	(22.86)
Dividend income	(0.03)	-	-	(0.73)	(0.67)
Operating profits before working capital changes	906.35	730.57	657.90	515.21	582.25
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(201.95)	179.42	4.47	(27.99)	(277.17)
Trade receivables	(69.61)	(207.09)	(31.87)	51.64	(78.71)
Loans and advances/Current assets	(74.23)	(1.32)	34.82	20.67	64.86
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables/Other current liabilities/Provisions	(18.94)	163.90	(69.17)	238.08	29.22
Cash Generated from Operations	541.62	865.48	596.15	797.61	320.45
Net income tax (paid) / refunds	(60.33)	(29.57)	(15.18)	(10.21)	(9.26)
Net Cash from Operating Activities before exceptional item	481.29	835.91	580.97	787.40	311.19
Exceptional Item	-	-	-	-	-
Net cash flow from / (used in) operating activities	481.29	835.91	580.97	787.40	311.19
B. CASH FLOW FROM INVESTING ACTIVITIES					
Capital expenditure on fixed assets, including capital advances	(258.35)	(150.24)	(80.02)	(104.85)	(378.55)
Proceeds from sale of fixed assets	3.28	2.18	12.85	6.22	253.80
Bank deposits not considered as cash equivalents	(33.81)	80.73	(78.85)	17.35	(4.61)
Purchase of long term investments	(2.24)	(4.56)	-	-	(0.50)
Proceeds from sale of long term investments	4.58	3.89	2.86	0.05	4.20
Dividend received - Others	0.03	-	-	0.73	0.67
Interest received - Bank deposits	5.92	9.84	3.54	(1.67)	4.56
Net cash flow from / (used in) investing activities	(280.60)	(58.16)	(139.62)	(82.17)	(120.43)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Issue of Share capital	-	-	72.49	-	-
Proceeds/(repayment) of long term borrowings	4.19	(289.10)	(233.36)	(366.89)	(241.26)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Proceeds/(repayment) of short term borrowings	57.22	(160.29)	99.52	(18.60)	445.08
Finance costs	(253.05)	(323.05)	(375.73)	(299.78)	(403.38)
Net cash flow from / (used in) financing activities	(191.64)	(772.44)	(437.08)	(685.27)	(199.56)
Net increase / (decrease) in Cash and cash equivalents	9.05	5.31	4.27	19.96	(8.80)
Cash and cash equivalents at the beginning of the year	41.11	35.83	31.53	11.57	20.37
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.05)	(0.02)	0.03	-	-
Cash and cash equivalents at the end of the year	50.11	41.11	35.83	31.53	(11.57)
Cash and cash equivalents at the end of the year comprises of					
(a) Cash on hand	25.84	6.57	2.99	5.76	6.30
(b) Balances with banks					
in current account	24.27	34.54	32.84	25.77	4.92
in EEFC account	-	-	-	-	0.35
	50.11	**41.11**	**35.83**	**31.53**	**11.57**

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

THE OFFER

Offer		8,922,375* Equity Shares aggregating up to ₹2,391.20 million
Of which		
Fresh Issue[1]		Up to 8,022,375* Equity Shares aggregating up to ₹2,150 million
Offer for Sale[2]		Up to 900,000 Equity Shares aggregating up to ₹241.20 million
A) QIB Category		4,461,160* Equity Shares
Of which:		
	Anchor Investor Portion[3]	2,676,685 Equity Shares
	Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	1,784,475* Equity Shares
Of which:		
	Available for allocation only to Mutual Funds (5% of the QIB Category (excluding the Anchor Investor Portion))	89,265* Equity Shares
	Balance for all QIBs including Mutual Funds	1,695,210* Equity Shares
B) Non-Institutional Category		Not less than 1,338,370* Equity Shares
C) Retail Category		Not less than 3,122,845* Equity Shares
Pre and post-Offer Equity Shares		
Equity Shares outstanding as of the date of this Prospectus		17,145,212 Equity Shares
Equity Shares outstanding after the Offer		25,167,587* Equity Shares
Use of Net Proceeds by our Company		See the section "*Objects of the Offer*" on page 77. Our Company will not receive any proceeds from the Offer for Sale.

* *Subject to finalization of Basis of Allotment*

(1) *The Fresh Issue has been authorized by the Board and the Shareholders, pursuant to their resolutions dated December 17, 2015 and December 23, 2015, respectively.*

(2) *The Selling Shareholder confirms that its Equity Shares which are being offered as part of the Offer have been authorized by its board of directors by way of resolutions dated July 7, 2015 and June 9, 2016.*

(3) *Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. For further details, see the section "Offer Procedure" on page 363.*

Allocation to all categories, except the Retail Category and Anchor Investor Portion, if any, will be made on a proportionate basis. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.

For details, see the section "*Offer Structure*" on page 358. For details of the terms of the Offer, see the section "*Terms of the Offer*" on page 354. For details of the Offer procedure, including the grounds for rejection of Bids, see the section "*Offer Procedure*" on page 363.

The Selling Shareholder confirms that the Equity Shares offered by it in the Offer have been held by such Selling Shareholder for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and no bonus shares have been issued to the Selling Shareholder. The Equity Shares offered by the Selling Shareholder in the Offer are therefore eligible to be offered for sale in the Offer.

GENERAL INFORMATION

Our Company was incorporated in Avinashi, Tamil Nadu as S.P. Apparels Limited, a public limited company under Part IX of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 18, 2005 that was issued following an application to convert M/s S.P. Apparels, a partnership firm into a company. The partnership firm was originally formed pursuant to a partnership deed dated December 14, 1988. Subsequently, pursuant to a partnership deed dated November 7, 2005, the partnership was further reconstituted by the declaration of the partnership as a joint stock company. The joint stock company was thereafter converted into a public limited company pursuant to a certificate of incorporation dated November 18, 2005. For further details, see the section "*History and Certain Corporate Matters – Brief History of the Company – Conversion of Partnership Firm into our Company*" on page 144.

Registered Office and Corporate Office of our Company

39-A, Extension Street, Kaikattipudur
Avinashi 641 654
Tirupur District
Tamil Nadu, India
Tel: +91 4296 304000
Fax: +91 4296 304280
E-mail: spindia@s-p-apparels.com
Website: www.spapparels.com
Corporate Identity Number: U18101TZ2005PLC012295
Registration Number: 12295

For information in relation to changes in our Registered Office, see the section "*History and Certain Corporate Matters – Changes in the Registered Office*" on page 144.

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Tamil Nadu located at Coimbatore, situated at 683, Trichy Road, Singanallur, Coimbatore 641 005, Tamil Nadu, India.

Board of Directors

The Board of our Company comprises the following:

Name	Designation	Age	DIN	Address
P. Sundararajan	Chairman and Managing Director	60	00003380	192, East Sambandam Road R.S. Puram Coimbatore – 641 002 Tamil Nadu India
S. Latha	Executive Director	52	00003388	192, East Sambandam Road R.S. Puram Coimbatore – 641 002 Tamil Nadu India
S. Chenduran	Whole-time Director	27	03173269	192, East Sambandam Road R.S. Puram Coimbatore – 641 002 Tamil Nadu India
V. Sakthivel	Independent, Non-Executive Director	66	00005720	No. 186 C Lakshmi Road Salem – 636 004 Tamil Nadu India
Srinivas Chidambaram	Nominee, Non-Executive Director	50	00514665	S-283, Ground Floor Greater Kailash – II New Delhi – 110 048 India
P. Yesuthasen	Independent, Non-Executive Director	70	00767702	4-B, Cross Street Srinagar Colony

Name	Designation	Age	DIN	Address
				Chennai Tamil Nadu – 600 015 India
A.S. Anandkumar	Independent, Non-Executive Director	68	00058292	502, Glen Egle Tata Colony Parel Tank Road, Parel Mumbai – 400 012 Maharashtra India
G. Ramakrishnan	Independent, Non-Executive Director	70	06552357	No.10, 11th Avenue Ashok Nagar Chennai – 600 083 Tamil Nadu India

For further details of our Directors, see the section "*Our Management – Board of Directors*" beginning on page 154.

Company Secretary and Compliance Officer

Ms. K. Vinodhini is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

K. Vinodhini
39-A, Extension Street, Kaikattipudur
Avinashi 641 654
Tirupur District
Tamil Nadu, India
Tel: +91 4296 304013
Fax: +91 4296 304280
E-mail: csoffice@s-p-apparels.com

Chief Financial Officer

Mr. V. Balaji is the Chief Financial Officer of our Company. His contact details are as follows:

V. Balaji
39-A, Extension Street, Kaikattipudur
Avinashi 641 654
Tirupur District
Tamil Nadu, India
Tel: +91 4296 304010
Fax: +91 4296 304280
E-mail: balaji.v@s-p-apparels.com

Bidders can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre- or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode..

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, date of Bid cum Application Form and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Selling Shareholder

The details of our Selling Shareholder are set forth below:

New York Life Investment Management Fund (FVCI) II LLC, an FVCI incorporated under the laws of the Republic of Mauritius and having its registered office at 4th Floor, Ebene Heights, 34 Cyber City, Ebene, Republic of Mauritius. Pursuant to a certificate dated June 29, 2005 issued by the SEBI, the New York Life Investment Management Fund (FVCI) II LLC was registered as a foreign venture capital investor with registration number IN/FVCI/05-06/17.

Book Running Lead Managers

Motilal Oswal Investment Advisors Private Limited
Motilal Oswal Tower
Rahimtullah Sayani Road, Opposite Parel ST Depot
Prabhadevi,
Mumbai 400 025
Maharashtra, India
Tel: +91 22 3980 4200
Fax: +91 22 3980 4315
E-mail: spapparels.ipo@ motilaloswal.com
Investor Grievance E-mail:
moiaplredressal@motilaloswal.com
Website: http://www.motilaloswalgroup.com
Contact person: Subodh Mallya
SEBI Registration No.: INM000011005
CIN: U67190MH2006PTC160583

Centrum Capital Limited
Centrum House
CST Road, Vidyanagari Marg
Kalina, Santacruz (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4215 9000
Fax: +91 22 4215 9444
E-mail: spapparels.ipo@centrum.co.in
Investor Grievance E-mail: igmbd@centrum.co.in
Website: http://www.centrum.co.in
Contact person: Aanchal Wagle
SEBI Registration No.: INM000010445
CIN: L65990MH1977PLC019986

Inter-se Allocation of Responsibilities between the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Offer:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc.	Motilal Oswal, Centrum Capital	Motilal Oswal
2.	Drafting and designing of the Draft Red Herring Prospectus including a memorandum containing salient features of the Prospectus. The BRLMs will ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and the SEBI including finalization of the Prospectus.	Motilal Oswal, Centrum Capital	Motilal Oswal
3.	Drafting and approval of all statutory advertisements.	Motilal Oswal, Centrum Capital	Motilal Oswal
4.	Drafting and approving of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertisements, brochures etc.	Motilal Oswal, Centrum Capital	Centrum Capital
5.	Appointment of advertising agency and Registrar to the Offer.	Motilal Oswal, Centrum Capital	Motilal Oswal
6.	Appointment of Bankers to the Offer, printers etc.	Motilal Oswal, Centrum Capital	Centrum Capital
7.	International institutional marketing strategy, including: • finalizing the list and allocation of investors for one to one meetings; • finalizing the road show schedule and investor meeting schedules; and • institutional allocation.	Motilal Oswal, Centrum Capital	Motilal Oswal
8.	Domestic institutional marketing strategy, including: • finalizing the list and allocation of investors for one to one meetings; • finalizing the road show schedule and investor meeting schedules; and	Motilal Oswal, Centrum Capital	Centrum Capital

S. No.	Activity	Responsibility	Coordinator
	• institutional allocation.		
9.	Retail and non-institutional marketing which will include, *inter alia*: • formulating marketing strategies; • preparation of publicity budget; • finalizing media and public relations strategy; • finalizing centre for holding conferences for press and brokers; • distribution of publicity and Offer material; and • deciding on the quantum of Offer material including forms, the Prospectus and finalizing collection centres.	Motilal Oswal, Centrum Capital	Motilal Oswal
10.	Preparation of road show presentation and FAQs.	Motilal Oswal, Centrum Capital	Motilal Oswal
11.	Finalization of pricing and managing the book.	Motilal Oswal, Centrum Capital	Motilal Oswal
12.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.	Motilal Oswal, Centrum Capital	Centrum Capital
13.	The post Bidding and post Offer activities, including management of escrow accounts, co-ordination of non-institutional allocation (including Anchor Investor Portion), informing the allocation and dispatch of refunds to Bidders etc. The post Offer activities for the Offer involving essential follow-up steps, which include follow-up with Bankers to the Offer and Self Certified Syndicate Banks to get quick estimates of collection and advising the Company about the closure of the Offer, based on correct figures, finalization of the Basis of Allotment or weeding out of multiple applications, listing of instruments, the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Offer, Escrow Collection Banks and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	Motilal Oswal, Centrum Capital	Centrum Capital

Legal Advisers for the Offer as to Indian Law

S&R Associates

64 Okhla Industrial Estate Phase III
New Delhi 110 020
India
Tel: +91 11 4069 8000
Fax: +91 11 4069 8001

Statutory Auditors of our Company

Deloitte Haskins & Sells

Shanugha Manram
41, Race Course
Coimbatore 641 018
Tamil Nadu
India
Tel: +91 422 439 2801
Fax: +91 422 222 3615
E-mail: crajagopal@deloitte.com
Firm registration No.: 0080725

Statutory Auditors of our Subsidiary, CPPL

Rajan Sankar & Co.

No.1 Sarojini Nagar
Ramnagar
Coimbatore 641 009
Tamil Nadu
India
E-mail: myauditor@rediffmail.com
Firm registration No.: 003430S

Registrar to the Offer

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg
Bhandup West
Mumbai 400 078
Maharashtra
India
Tel: +91 22 6171 5400
Fax: + 91 22 2596 0329
E-mail: spal.ipo@linkintime.co.in
Investor Grievance E-mail: spal.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer/Escrow Collection Banks

ICICI Bank Limited
Capital Market Division
1st Floor, 122, Mistry Bhavan
Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020
Maharashtra
India
Tel: +91 22 2285 9922
Fax: +91 22 2261 1138
E-mail: rishav.bagrecha@icicibank.com
Website: www.icicibank.com
Contact person: Rishav Bagrecha
SEBI Registration No.: INBI00000004

IDBI Bank Limited
Specialized Corporate Branch
'The Excellence'
4th Floor, No.104, Race Course Road
Coimbatore 641 018
Tamil Nadu
India
Tel: +91 422 2220 812 / +91 422 2220 813 / +91 99620 04570
Fax: +91 422 222372
E-mail: bharathram@idbi.co.in, badri.narayanan@idbi.co.in
Website: www.idbi.com
Contact person: A.S. Bharath Ram/C. Badri Narayan
SEBI Registration No.: INBI00000076

Refund Bank

ICICI Bank Limited
Capital Market Division
1st Floor, 122, Mistry Bhavan
Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020
Maharashtra
India
Tel: +91 22 2285 9922
Fax: +91 22 2261 1138
E-mail: rishav.bagrecha@icicibank.com
Website: www.icicibank.com
Contact person: Rishav Bagrecha
SEBI Registration No.: INBI00000004

Bankers to our Company

Andhra Bank
64, Kumaran Road
Opposite Town Hall, GG Towers
Tirupur 641 601
Tamil Nadu
India
Tel: +91 421 2231313
Fax: +91 421 2231313
E-mail: bmche560@andhrabank.co.in
Website: www.andhrabank.in
Contact person: Ravi Krishna

Bank of India
8/732, Chamber Towers
Avinashi Road
Coimbatore 641 018
Tamil Nadu
India
Tel: +91 422 2221874
Fax: +91 422 2221869
E-mail: MCB.Coimbatore@bankofindia.co.in
Website: www.bankofindia.co.in
Contact person: Samruddha Chavan

IDBI Bank Limited
Excellence, No. 104
Race Course Road
Coimbatore
Tamil Nadu
India
Tel: +91 422 6475801
Website: www.idbi.com
E-mail: s.harees@idbi.co.in
Contact person: S. Harees

State Bank of Mysore
243, Post Office Main Road
Avinashi 641 654
Tamil Nadu
India
Tel: +91 4296 273343
Fax: +91 4296 273373
E-mail: avinashi@sbm.co.in
Website: www.statebankofmysore.co.in
Contact person: Pushkar Singh

The Tamil Nadu Industrial Investment Corporation Limited
Kumaran Shopping Complex
2nd Floor, Newar Railway Station
Tirupur 641 601
Tamil Nadu
India
Tel: +91 421 2240125
E-mail: bmtiruppur@tiic.org
Website: www.tiic.org
Contact person: S. Rajendran

State Bank of Travancore
1543, SBPR Square
Trichy Road
Coimbatore 641 018
Tamil Nadu
India
Tel: +91 422 2200021
Website: www.sbt.co.in
E-mail: mcbcoimbatore@sbt.co.in
Contact person: P. Rajendran

Designated Intermediaries

Syndicate Members

Motilal Oswal Securities Limited
Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 3027 8129/8100
Fax: +91 22 3980 4315
E-mail: santosh.patil@ motilaloswal.com
Investor grievance e-mail: ipo.redressal@motilaloswal.com/grievances@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Santosh Patil
SEBI Registration No.: BSE: INB011041257; NSE: INB231041238

Centrum Broking Limited
Centrum House, Vidyanagari Marg
CST Road, Kalina, Santacruz (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4215 9000
Fax: +91 22 4215 9444
E-mail: compliance@centrum.co.in
Investor grievance e-mail: investor.grievances@centrum.co.in
Website: www.centrumbroking.com
Contact Person: Sriram Ventakasubramaniam
SEBI Registration No.: BSE: INB011454239; NSE: INB231454233

Self Certified Syndicate Banks

The list of banks that have been notified by the SEBI to act as the SCSBs for the ASBA process is provided on the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For list of branches of SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address are provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Credit Rating

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

As the Fresh Issue is not in excess of ₹5,000 million, we are not required to appoint a monitoring agency in accordance with the terms of Regulation 16 of the SEBI ICDR Regulations.

Appraising Agency

None of the objects of the Offer have been appraised by any appraising agency.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins and Sells, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditors on the Restated Consolidated Financial and the Restated Standalone Financial Statements, each dated June 6, 2016, and the statement of tax benefits dated June 6, 2016 included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, such consent does not represent consent under any requirements of the Securities Act and the term "expert" will not be construed to mean an "expert" as defined under the Securities Act.

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band and the minimum Bid Lot has been decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of Financial Express, all editions of Jansatta and Coimbatore edition of Dinamani (which are widely circulated English, Hindi and Tamil newspapers, Tamil being the regional language of Tamil Nadu, where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date and will be made available to the Designated Stock Exchange for the purpose of uploading on its website. The Offer Price will be finalized by our Company and the Selling Shareholder, in consultation with the BRLMs, after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholder;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer; and
- the Escrow Collection Banks.

The Offer is being made through the 100% Book Building Process and in terms of Rule 19(2)(b) of the SCRR wherein not more than 50% of the Offer will be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category (other than the QIB Category), would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are required to mandatorily use the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details on method and procedure for Bidding, see the sections "*Offer Structure*" and "*Offer Procedure*" on pages 358 and 363, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by the SEBI for the Offer. The Selling Shareholder confirms that it will comply with the SEBI ICDR Regulations and any other ancillary directions issued by the SEBI, as applicable to the Selling Shareholder in relation to the Equity Shares offered by the Selling Shareholder under the Offer for Sale. In this regard, our Company and the Selling Shareholder have appointed the BRLMs to manage the Offer and procure Bids for the Offer.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company will apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see the section "*Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process*" on page 396.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment of Equity Shares. In such an event our Company will issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed of such withdrawal.

If our Company and the Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue and/or offer for sale of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of this Prospectus with the RoC, our Company, the Selling Shareholder and the Registrar to the Offer have entered into an Underwriting Agreement with the Underwriters for the Equity Shares offered through the Offer. The Underwriting Agreement is dated August 6, 2016. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and subject to certain conditions specified therein. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, Address and Contact Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
Motilal Oswal Investment Advisors Private Limited Motilal Oswal Tower Rahimtullah Sayani Road, Opposite Parel ST Depot Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 3980 4200 Fax: +91 22 3980 4315 E-mail: spapparels.ipo@ motilaloswal.com	4,460,688	1,195.46
Centrum Capital Limited CST Road, Vidyanagari Marg Kalina, Santacruz (East), Mumbai 400 098 Maharashtra, India Tel: +91 22 4215 9000 Fax: +91 22 4215 9444 E-mail: spapparels.ipo@centrum.co.in	4,461,087	1,195.57
Motilal Oswal Securities Limited Motilal Oswal Tower Rahimtullah Sayani Road, Opposite Parel ST Depot Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 3027 8129/8100 Fax: +91 22 3980 4315 E-mail: santosh.patil@ motilaloswal.com	500	0.13
Centrum Broking Limited Centrum House, Vidyanagari Marg	100	0.03

Name, Address and Contact Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
CST Road, Kalina, Santacruz (East), Mumbai 400 098 Maharashtra, India Tel: +91 22 4215 9000 Fax: +91 22 4215 9444 E-mail: compliance@centrum.co.in		

The above-mentioned underwriting commitments are indicative and will be finalized after pricing of the Offer and actual allocation and subject to Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of the Board (based on certificates provided by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The IPO Committee, at its meeting held on August 6, 2016, has accepted and approved the entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Prospectus, is set forth below:

(₹ in million, except share data)

		Aggregate Value at Face Value	Aggregate Value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**(1)		
	27,250,000 Equity Shares of face value of ₹10 each	272.50	
	20,000,000 Redeemable Preference Shares of face value of ₹10 each(2)	200.00	
	TOTAL	472.50	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	17,145,212 Equity Shares	171.45	
	20,000,000 Redeemable Preference Shares	200.00	
C	**PRESENT OFFER OF 8,922,375** EQUITY SHARES AGGREGATING UP TO ₹2,391.20 MILLION IN TERMS OF THIS PROSPECTUS**		
	Fresh Issue of up to 8,022,375** Equity Shares(3)	80.22	2,150
	Offer for Sale of up to 900,000 Equity Shares(4)	9.00	241.20
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	25,167,587*** Equity Shares	251.68	
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	402.23	
	After the Offer	2,472.00	

* *The Offer Price is ₹268 per Equity Share.*

** *Subject to finalization of Basis of Allotment.*

*** *Subject to the completion of Allotment pursuant to the Offer*

(1) *For details of changes in the authorized share capital of our Company, see the section "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 145.*

(2) *The Redeemable Preference Shares carry a coupon rate of 3% for the first four years and 10% thereafter and are redeemable at the expiry of ten years from the date of issuance. Further, the RPS are cumulative in respect of any dividend declared and will be redeemed out of accumulated profits or out of fresh issue of shares.*

(3) *The Fresh Issue has been authorized by the Board and the Shareholders, pursuant to their resolutions dated December 17, 2015 and December 23, 2015, respectively.*

(4) *The Selling Shareholder confirms that the Equity Shares offered by it by way of the Offer for Sale in the Offer has been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus and no bonus shares have been issued to the Selling Shareholder. The Selling Shareholder has authorized its portion of the Offer for Sale pursuant to resolutions of its board of directors dated July 7, 2015 and June 9, 2016.*

Notes to Capital Structure

1. ***Share Capital History of our Company***

(a) *Equity Share Capital*

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Reason for/Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Capital (₹)	Cumulative Share Premium(₹)
November 18, 2005	5,000,000	10	10	Cash	Subscription to the Memorandum of Association(1)	5,000,000	50,000,000	Nil

Date of Allotment	Number of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Reason for/Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Capital (₹)	Cumulative Share Premium(₹)
March 27, 2006	10,000,000	10	10	Conversion	Preferential Allotment[(2)]	15,000,000	150,000,000	Nil
November 7, 2006	1,800,000	10	200	Cash	Preferential Allotment [(3)]	16,800,000	168,000,000	342,000,000
Issue of Equity Shares in the last two years preceding the date of this Prospectus								
June 26, 2015	345,212	10	210	Conversion	Conversion of CCPS [(4)]	17,145,212	171,452,120	411,042,400

[(1)] Subscription of 3,975,000 Equity Shares by Mr. P Sundararajan, 1,000,000 Equity Shares by Mrs. S. Latha and 5,000 Equity Shares each by Mr. V. Senthil, Mrs. S Shantha, Mr. P. Velusamy, Mrs. V Padmini and Mr. P Ashokaraman.

[(2)] 8,000,000 Equity Shares allotted to Mr. P. Sundararajan and 2,000,000 Equity Shares allotted to Mrs. S. Latha.

[(3)] 1,800,000 Equity Shares allotted to NYLIM India Fund II.

[(4)] In accordance with the terms of the investment agreement dated March 18, 2013, the CCPS were convertible after 36 months into Equity Shares at the price of ₹210 each without payment of any additional conversion price. Pursuant to a letter dated April 2, 2015, Euro Asia waived the 36 month conversion period and 7,249,454 CCPS held by Euro Asia were converted into 345,212 Equity Shares that were allotted pursuant to a resolution of the Board dated June 26, 2015. Accordingly, no additional consideration was paid by Euro Asia at the time of conversion of the CCPS into Equity Shares.

(b) Preference Share Capital

The following is the history of the RPS capital of our Company:

Date of Allotment	Number of RPS Allotted	Face Value per RPS (₹)	Issue Price per RPS (₹)	Nature of Consideration	Reason for/ Nature of Allotment	Cumulative Number of RPS	Cumulative Paid-up Preference Share Capital (₹)
September 22, 2011	20,000,000	10	10	Conversion	Conversion of unsecured loan[(1)]	20,000,000	200,000,000

[(1)] 10,000,000 RPS allotted to Mr. P. Sundararajan and 10,000,000 RPS allotted to Mrs. S. Latha.

The following is the history of the CCPS capital of our Company:

Date of Allotment	*Number* of CCPS Allotted	Face Value per CCPS (₹)	Issue Price per CCPS (₹)	Nature of Consideration	Reason for/ Nature of Allotment	Cumulative Number of CCPS	Cumulative Paid-up Preference Share Capital (₹)
July 24, 2013	7,249,454	10	210	Cash	Preferential Allotment [(1)]	7,249,454	72,494,540

[(1)] 7,249,454 CCPS to Euro Asia Agencies Limited.

Pursuant to a Board resolution dated June 26, 2015, 7,249,454 CCPS held by Euro Asia were converted and an aggregate of 345,212 Equity Shares were allotted to Euro Asia.

As on the date of this Prospectus, our Company has no outstanding Compulsorily Convertible Preference Shares.

2. ***Issue of Equity Shares for Consideration other than Cash***

As on the date of this Prospectus, no Equity Shares have been issued by our Company for consideration other than cash or out of revaluation reserves. Our Company has made no bonus issue of Equity Shares in the past.

3. ***Details of Promoters' Contribution and Lock-in***

As on the date of this Prospectus, our Promoters hold 14,980,000 Equity Shares, constituting 87.37% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) Capital build-up of our Promoters' equity shareholding in our Company:

Date of allotment/ transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition /Allotment/ Transfer	Percentage (%) of Pre-Offer Equity Share Capital	Percentage (%) of Post-Offer Equity Share Capital
Mr. P. Sundararajan							
November 18, 2005	3,975,000	10	10	Cash	Subscription to the Memorandum of Association	23.18	15.79
March 27, 2006	8,000,000	10	10	Conversion	Preferential Allotment	46.66	31.79
September 18, 2009	5,000	10	10	Cash	Transfer from A. Natrajan	0.03	0.02
Sub-total	**11,980,000**					**69.87**	**47.60**
Mrs. S. Latha							
November 18, 2005	1,000,000	10	10	Cash	Subscription to the Memorandum of Association	5.83	3.97
March 27, 2006	2,000,000	10	10	Conversion	Preferential Allotment	11.67	7.95
Sub-total	**3,000,000**					**17.50**	**11.92**
Total	**14,980,000**					**87.37**	**59.52**

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Except for the pledge of 4,375,000 Equity Shares held by Mr. P. Sundararajan constituting 26% of the pre-Offer Equity Share capital of our Company in favor of the State Bank of Mysore, none of the Equity Shares of our Promoters are pledged.

(b) Details of Promoters' contribution locked-in for three years:

Pursuant to Regulation 36 of the SEBI ICDR Regulations, at least an aggregate of 20% of the post-Offer shareholding of our Promoters is required to be locked-in for a period of three years from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that the Equity Shares being locked-in do not consist of:

(i) Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) Equity Shares acquired by our Promoters during the one year preceding the date of this Prospectus, at a price lower than the price at which Equity Shares are being offered to the public in the Offer;

(iii) Equity Shares issued to our Promoters upon conversion of a partnership firm during the one year preceding the date of this Prospectus; and

(iv) Equity Shares pledged with any creditor.

The details of the Equity Shares of our Promoters locked-in as minimum Promoters' contribution are given below:

Name of the Promoter	No. of Equity Shares	Date of allotment/transfer of Equity Shares and when made fully paid-up	Nature of Transaction	Face Value per Equity Share (₹)	Issue/ Acquisition Price per Equity Share (₹)	Percentage (%) to Pre-Offer Paid-up Capital	Percentage (%) to Post-Offer Paid-up Capital	Source of Funds
Mr. P. Sundarajan	2,050,000	March 27, 2006	Preferential Allotment	10	10	11.96	8.15	Personal
Mrs. S. Latha	1,000,000	November 18, 2005	Subscription to the Memorandum of Association	10	10	5.83	3.97	Personal
Mrs. S. Latha	2,000,000	March 27, 2006	Preferential Allotment	10	10	11.67	7.95	Personal
TOTAL	**5,050,000**					**29.46**	**20.07**	

Each of our Promoters has confirmed to our Company and the BRLMs that acquisition of the Equity Shares held by them, respectively, and which will be locked-in as promoters' contribution have been financed from their respective personal funds and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoters in accordance with the SEBI ICDR Regulations.

(c) *Details of share capital locked-in for one year:*

In addition to the Equity Shares proposed to be locked-in as part of our Promoters' contribution as stated above, the entire pre-Offer equity share capital of our Company will be locked-in for a period of one year from the date of allotment of Equity Shares in the Offer except the following: (i) 900,000 Equity Shares held by the Selling Shareholder, which is an FVCI and (ii) the Equity Shares forming part of the Offer for Sale.

(d) *Other requirements in respect of lock-in*:

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan and (ii) if the shares are locked-in as Promoters' contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Offer.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by Shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

(e) *Lock-in of Equity Shares Allotted to Anchor Investors:*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

4. ***Details of the build-up of Equity Share capital held by the Selling Shareholder in our Company***

Name of Selling Shareholder	Date of Allotment/ Transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ transfer price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition /Allotment/ Transfer	Percentage (%) of Pre-Offer Equity Share Capital	Percentage (%) of Post-Offer Equity Share Capital*
NYLIM India Fund II	November 7, 2006	1,800,000	10	200	Cash	Preferential Allotment	10.50	7.15

** Based on the estimated post-Offer capital of our Company and remains subject to the finalization of Basis of Allotment, and does not exclude the Equity Shares sold by the Selling Shareholder in the Offer for Sale.*

5. ***Shareholding Pattern of our Company***

The table below presents the equity shareholding of our Company as on the date of this Prospectus:

Category	Category of Shareholders	Pre-Offer						
		Number of Shareholders	Total Number of Equity Shares	Number of Equity Shares Held in Dematerialized Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As % of (A+B)	As % of (A+B+C)	Number of Shares	As % of Total Number of Equity Shares
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/Hindu Undivided Family	6	15,000,000	15,000,000	87.49	87.49	43,75,000	25.52
(b)	Central Government /State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(1)	6	15,000,000	15,000,000	87.49	87.49	43,75,000	25.52
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Foreign Portfolio Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6	15,000,000	15,000,000	87.49	87.49	43,75,000	25.52
(B)	**Public shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category	Category of Shareholders	Pre-Offer						
		Number of Shareholders	Total Number of Equity Shares	Number of Equity Shares Held in Dematerialized Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As % of (A+B)	As % of (A+B+C)	Number of Shares	As % of Total Number of Equity Shares
(c)	Alternate Investment Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Foreign Venture Capital Investors	1	1,800,000	1,800,000	10.50	10.50	Nil	Nil
(e)	Foreign Portfolio Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Provident Funds/Pension Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B)(1)	1	1,800,000	1,800,000	10.50	10.50	Nil	Nil
(2)	**Central Government/State Government(s)/President of India**	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(3)	**Non-institutions**							
(a)	Individuals - i. Individual shareholders holding nominal share capital up to ₹2 lakh. ii. Individual shareholders holding nominal share capital in excess of ₹2 lakh.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	NBFCs registered with RBI	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Overseas Depositories (holding DRs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	1	345,212	Nil	2.01	2.01	Nil	Nil

Category	Category of Shareholders	Pre-Offer						
		Number of Shareholders	Total Number of Equity Shares	Number of Equity Shares Held in Dematerialized Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As % of (A+B)	As % of (A+B+C)	Number of Shares	As % of Total Number of Equity Shares
	Sub-Total (B)(3)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Public Shareholding (B)= (B)(1)+(B)(2))+(B)(3)	2	2,145,212	1,800,000	12.51	12.51	Nil	Nil
	TOTAL (A)+(B)	**8**	**17,145,212**	**16,800,000**	**100.00**	**100.00**	**4,375,000**	**25.51**
(C)	**Non-Promoter and Non-Public Shareholding**							
(1)	Custodian/DR Holder (C) (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2)	Employee Benefit Trusts (C) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Non-Public and Non-Promoter Shareholding (C)= (C)(1)+(C)(2)							
	TOTAL (A)+(B)+(C)	**8**	**17,145,212**	**16,800,000**	**100.00**	**100.00**	**4,375,000**	**25.51**

6. Except as set forth below, there are no public shareholders holding more than 1% of the pre-Offer paid-up capital of our Company as on the date of this Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage (%)
1.	NYLIM India Fund II	1,800,000	10.50
2.	Euro Asia	345,212	2.01
TOTAL		2,145,212	12.51

7. Details of the shareholding of our Promoters and the members of the Promoter Group as on the date of filing of this Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage (%) of Pre-Offer Capital	Percentage (%) of Post-Offer Capital
1.	Mr. P Sundararajan	11,980,000	69.87	47.60
2.	Mrs. S. Latha	3,000,000	17.50	11.92
3.	Mrs. S. Shantha	5,000	0.03	0.02
4.	Mr. S. Chenduran	5,000	0.03	0.02
5.	Mr. P. Velusamy	5,000	0.03	0.02
6.	Mr. P. Ashokaraman	5,000	0.03	0.02
TOTAL		**15,000,000**	**87.49**	**59.60**

8. Except as set forth below, none of our Directors or key management personnel hold any Equity Shares as on the date of this Prospectus:

S. No.	Name of the Director/Key Management Personnel	Number of Equity Shares	Percentage (%)
1.	Mr. P Sundararajan	11,980,000	69.87
2.	Mrs. S. Latha	3,000,000	17.50
3.	Mr. S. Chenduran	5,000	0.03
TOTAL		**14,985,000**	**87.40**

9. There are no securities of our Company or any of the Subsidiaries that have been purchased or sold by our Promoters, the Promoter Group and/or the Directors and/or the immediate relatives of the Directors within the last six months preceding the date of filing the Draft Red Herring Prospectus with the SEBI.

10. ***Equity Shares held by the top ten Shareholders*:**

(a) As of the date of this Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage (%) of Pre-Offer Capital	Percentage (%) of Post-Offer Capital*
1.	Mr. P Sundararajan	11,980,000	69.87	47.60
2.	Mrs. S. Latha	3,000,000	17.50	11.92
3.	Mrs. S. Shantha	5,000	0.03	0.02
4.	Mr. S. Chenduran	5,000	0.03	0.02
5.	Mr. P. Velusamy	5,000	0.03	0.02
6.	Mr. P. Ashokaraman	5,000	0.03	0.02
7.	NYLIM India Fund II	1,800,000	10.50	7.15
8.	Euro Asia	345,212	2.01	1.37
TOTAL		**17,145,212**	**100.00**	**68.12**

**Based on the estimated post-Offer capital of our Company and remains subject to the finalization of Basis of Allotment, and does not exclude the Equity Shares sold by the Selling Shareholder in the Offer for Sale.*

(b) As of ten days prior to the date of this Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage (%) of Pre-Offer Capital	Percentage (%) of Post-Offer Capital*
1.	Mr. P Sundararajan	11,980,000	69.87	47.60
2.	Mrs. S. Latha	3,000,000	17.50	11.92
3.	Mrs. S. Shantha	5,000	0.03	0.02
4.	Mr. S. Chenduran	5,000	0.03	0.02
5.	Mr. P. Velusamy	5,000	0.03	0.02
6.	Mr. P. Ashokaraman	5,000	0.03	0.02
7.	NYLIM India Fund II	1,800,000	10.50	7.15
8.	Euro Asia	345,212	2.01	1.37
	TOTAL	**17,145,212**	**100.00**	**68.12**

**Based on the estimated post-Offer capital of our Company and remains subject to the finalization of Basis of Allotment, and does not exclude the Equity Shares sold by the Selling Shareholder in the Offer for Sale.*

(c) As of two years prior to the date of this Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage (%) of Pre-Offer Capital	Percentage (%) of Post-Offer Capital*
1.	Mr. P Sundararajan	11,980,000	71.31	47.60
2.	Mrs. S. Latha	3,000,000	17.86	11.92
3.	Mrs. S. Shantha	5,000	0.03	0.02
4.	Mr. S. Chenduran	5,000	0.03	0.02
5.	Mr. P. Velusamy	5,000	0.03	0.02
6.	Mr. P. Ashokaraman	5,000	0.03	0.02
7.	NYLIM India Fund II	1,800,000	10.71	7.15
	TOTAL	**16,800,000**	**100.00**	**66.75**

**Based on the estimated post-Offer capital of our Company and remains subject to the finalization of Basis of Allotment, and does not exclude the Equity Shares sold by the Selling Shareholder in the Offer for Sale.*

11. As on the date of this Prospectus, no options have been granted by our Company to any employee, key management personnel or Director pursuant to an employee stock option scheme.

12. Our Company, the Directors and the BRLMs have not entered into any buy-back and/or standby arrangements or any safety net arrangement for purchase of Equity Shares from any person.

13. Except as disclosed below, our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Red Herring Prospectus at a price which is lower than the Offer Price:

Date of Allotment	Name of the Entity	Number of Equity Shares Allotted	Issue Price per Equity Share (₹)	Nature of Consideration	Reason for/Nature of Allotment
June 26, 2015	Euro Asia	345,212	210	Conversion	Conversion of CCPS

14. No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of the Draft Red Herring Prospectus with the SEBI.

15. None of the Promoters, the members of the Promoter Group or the Directors have purchased/subscribed/sold any Equity Shares within three years immediately preceding the date of filing of this Prospectus with the SEBI which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.

16. Our Company has not issued any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

17. None of the BRLMs or any associate of the BRLMs hold any Equity Shares in our Company. The BRLMs and their affiliates may enter into transactions with and perform services for our Company, in the ordinary course of business or may engage in investment banking transactions with our Company, for which they may receive consideration.

18. All Equity Shares will be fully paid-up at the time of Allotment failing which no Allotment will be made.

19. Our Company does not have any partly paid-up Equity Shares as on the date of this Prospectus.

20. There will not be any further issue of Equity Shares, whether by way of issue of bonus Equity Shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

21. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

22. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, during such period or at a later date, our Company may issue and/or the Shareholders may directly or indirectly transfer or sell Equity Shares, convertible securities or other equity linked securities of our Company in relation to any acquisition, merger, joint venture or strategic alliance or for regulatory compliance or for any scheme of arrangement, in either case involving our Company or the Subsidiaries, Shareholders, Directors, or affiliates.

23. The Offer has been made through the 100% Book Building Process wherein not more than 50% of the Offer will be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) is available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category is available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer is available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer is available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category (other than the QIB Category), is allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

24. Oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

25. There will be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

26. As of the date of the filing of this Prospectus, the total number of holders of our Equity Shares is eight.

27. Other than NYLIM India Fund II, who will be offering its Equity Shares in the Offer for Sale, none of our other Shareholders including our Promoters and Promoter Group will participate in the Offer.

28. Our Company will ensure that transactions in Equity Shares by the Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer will be reported to the Stock Exchanges within 24 hours of the transaction.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale by the Selling Shareholder.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale and the proceeds from the Offer for Sale will not form part of the Net Proceeds. The Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting their proportionate share of the Offer related expenses.

Fresh Issue

Our Company proposes to utilize the Net Proceeds raised through the Fresh Issue for the following objects (collectively, the "**Objects**"):

1. Repayment or prepayment of debt incurred by our Company;

2. Expansion and modernization of our manufacturing facility at Valapady, Salem, Tamil Nadu;

3. Addition of balancing machineries for our existing dyeing unit at SIPCOT, Perundurai;

4. Opening of new stores for the sale of 'Crocodile' products; and

5. General corporate purposes.

In addition, our Company expects to realize the benefits of listing of the Equity Shares on the Stock Exchanges, including the enhancement of its brand name and provision of liquidity to the Shareholders.

The main objects and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

The details of the Net Proceeds are set forth below:

S. No.	Description	Amount (in ₹ million)
1.	Gross proceeds from the Fresh Issue	2,150
2.	(Less) Offer related expenses[1]	134.65
3.	Net Proceeds	2,015.35

[1] *Proportionate Offer related expenses to be borne by our Company has been included. All Offer related expenses will be shared between our Company and the Selling Shareholder on a pro rata basis, in the ratio of the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale.*

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

S. No.	Particulars	Total estimated amount required (in ₹ million)	Amount proposed to be financed from the Net Proceeds (in ₹ million)	Estimated schedule of implementation		
				Fiscal 2017	Fiscal 2018	Fiscal 2019
1.	Repayment or prepayment of debt incurred by our Company	630.00	630.00	630.00	-	-
2.	Expansion and modernization of our manufacturing facility at Valapady, Salem, Tamil Nadu	701.60	701.60	280.70	350.74	70.16
3.	Opening of new stores for the sale of 'Crocodile' brand products	278.54	278.54	65.37	103.90	109.27
4.	Addition of balancing machineries for our existing dyeing unit at SIPCOT, Perundurai	49.12	49.12	49.12	-	-
5.	General corporate purposes*	356.09	356.09	356.09	-	-
	Total	**2,015.35**	**2,015.35**	**1,381.28**	**454.64**	**179.43**

** General corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue.*

The fund deployment described above is based on management estimates and the current business plan of our Company. The estimates have not been appraised by any third party entity. We may have to revise our funding requirements and deployment, subject to applicable law, on account of various factors such as our financial condition, business and strategy as well as interest rate fluctuations, finance charges and other external factors, which may not be within the control of our management.

In case of any increase in the actual utilization of funds earmarked for any Object, such additional funds for a particular activity may be financed by surplus funds, if any, available in respect of any other activity for which funds have been raised in this Offer and in case such funds are insufficient, we will meet by way of means available to our Company, including internal accruals and funds allocated for general corporate purposes.

The expansion and modernization of our manufacturing facility located at Valapady, Salem, Tamil Nadu (the "**Valapady facility**") will reduce the cost incurred by us for outsourcing our spinning and knitting requirements or sourcing of ready to use material. The expected economies accruing from such backward integration will be utilized towards the manufacturing operations of our Company. Accordingly, the requirement of any incremental working capital will arise only as the operations of our Company expand.

Additionally, by repaying a considerable amount of outstanding term loan facilities from the Net Proceeds, our Company will reduce its debt. Consequently, the internal accruals of our Company will increase to that extent and we will utilize this amount for our working capital requirements in relation to the expansion and modernization of our manufacturing facilities.

For expansion of our Company's retail business, the working capital required for each retail store has been incorporated in the cost estimates disclosed in the table in the section "*Opening of new stores for the sale of products under the 'Crocodile' brand - Estimated cost of establishment and deployment of funds*" on page 85.

We will not require any additional funding of working capital for our retail operations, which will be funded out of the internal accruals and any revenues generated by our Company from the sale of 'Crocodile' branded products.

In case the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing Objects, if required, and general corporate purposes or any other purpose as approved by the Shareholders and subject to applicable laws.

Details of the Objects of the Fresh Issue

1. ***Partial or full repayment or prepayment of debt incurred by our Company***

Our Company has entered into various financing arrangements with banks, financial institutions and non-banking financial institution, including secured Rupee term loans and working capital credit facilities. As of March 31, 2016, the aggregate outstanding indebtedness of our Company was ₹2,593.64 million. For further information, see the section "*Financial Indebtedness*" on page 309.

Our Company intends to use ₹630.00 million from the Net Proceeds to repay or prepay all or part of one or more of the loan facilities (as set forth in the table below), including interest thereon, incurred by our Company as set forth below. Such repayment or prepayment will help in reducing our outstanding indebtedness and debt servicing costs, which in turn could assist us in maintaining a favorable debt-equity ratio in the near future and enable utilization of accruals for investment in business growth and expansion. In addition, our leverage capacity could improve significantly to raise further resources that may be required in the future to fund our potential business development opportunities and plans to expand our business. The loan facilities are listed below in no particular order of priority and our Company is not under an obligation to any bank, financial institution or non-banking financial institution to repay/prepay immediately.

S. No.	Name of the Lender	Nature and purpose of facility*	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule
1.	Andhra Bank	Term loan for construction of building and purchase of machinery (Letter of Sanction dated September 27, 2010 and as restructured through letter dated January 7, 2014 and agreement dated September 28, 2010 and supplemental and amendatory agreement dated February 21, 2014 for reschedulement of the term loan)	152.20	Base rate 4.00% p.a. + tax payable	24 unequal quarterly instalments commencing from June 22, 2015 with a 17 month moratorium commencing from November 2013 until March 2015
2.	Bank of India	Term loan (Sanction letters dated December 6, 2007 renewed on March 13, 2014, June 26, 2015 and January 28, 2016 and Hypothecation cum Loan Agreement dated June 4, 2010)	21.19	Base rate + 4.55% p.a. (valid until January 28, 2017)	Tenor is nine years Repayment in 27 unequal quarterly instalments commencing from September 2010
		Term loan (Sanction letters dated December 6, 2007 renewed on March 13, 2014, June 26, 2015 and January 28, 2016 and Hypothecation cum Loan Agreement dated June 4, 2010)	52.83	Base rate + 4.55% p.a. (valid until January 28, 2017)	Tenor is nine years and three months Repayment in 34 unequal quarterly instalments commencing from June 2011
		Term loan (Sanction letters dated December 6, 2007 renewed on March 13, 2014, June 26, 2015 and January 28, 2016 and Hypothecation cum Loan Agreement dated June 4, 2010)	26.04	Base rate + 4.55% p.a. (valid until January 28, 2017)	Tenor is nine years and three months Repayment in 33 unequal quarterly instalments commencing from September 2011

S. No.	Name of the Lender	Nature and purpose of facility*	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule
		Cash credit (stock and book debt) (Sanction letter dated January 28, 2016)	57.00	Base rate + 3.80% p.a. (valid until January 28, 2017)	Repayable on demand
3.	State Bank of Mysore	Term loan (Letter dated April 9, 2008, Articles of Agreement dated May 13, 2008 and Letter for Restructuring of existing Term Loans dated June 30, 2009)	11.28	2% below prime term lending rate subject to a minimum of 11.25% p.a.	Repayment in 28 quarterly instalments commencing from June 2011
		Term loan (Loan-cum-hypothecation agreement dated February 5, 2007, Articles of Agreement dated February 5, 2007, Letter dated April 9, 2008 and Letter for Restructuring of existing Term Loans dated June 30, 2009)	19.81	2% below prime term lending rate subject to a minimum of 10% p.a.	Repayment in 28 quarterly instalments commencing from June 2011
		Term loan for the processing division, purchase of compacting machine, coal crushers and boiler fluidized bed conversion (Sanction communication letter dated April 10, 2015 and Articles of Agreement dated December 19, 2014)	18.87	Base rate + 3.75% p.a. subject to a minimum of 14.00% p.a. floating rate	Repayment in 20 quarterly instalments with moratorium period of six months from the date of first disbursement
		Stand by line of credit – export packing credit (Sanction communication letter dated April 10, 2015)	50.38	Base rate + 3% margin p.a.	Tenor is maximum three months at any one instance There will be no restriction as to the number of times this facility can be availed in a year
		Corporate Loan(2) (Sanction communication letter dated November 26, 2015 and loan agreement dated December 17, 2015)	350.00	Base rate + 3.85% p.a.	Tenor is 30 months Repayment in eight equal quarterly instalments commencing from August 1, 2016
4.	Tamil Nadu Industrial Investment Corporation Limited	Term loan for the purchase and erection of plant and machinery and software (Sanction letter dated July 27, 2011)	21.94	14.25% p.a. with reset clause at the beginning of every financial year	Repayment in 60 monthly instalments commencing from September 1, 2012 after a moratorium of 12 months from the date of first drawal/disbursement of the loan
	Total		**781.54**		

* Pursuant to a certificate dated June 14, 2016, SSKT and Company, Chartered Accountants, have certified that the above loans have been utilized for the purpose for which such loans were sanctioned.

(1) *Pursuant to the Slump Sale Agreement, Poornam has transferred the term loan availed by it from Muthoot Fincorp Limited to our Company with effect from August 1, 2015.*

(2) *This loan was availed from the State Bank of Mysore to takeover the term loan of ₹350.00 million that was previously availed by our Company from Muthoot Fincorp Limited which has now been repaid and closed.*

Certain of the loan facilities that we propose to repay/prepay include prepayment penalty and charges that may be payable by our Company at the time of repayment/prepayment. The selection of debt facilities and the quantum to be repaid or prepaid shall be based on various factors, including: (a) terms and conditions in the loan agreements preventing or restricting repayment or prepayment; (b) receipt of consents for prepayment from or waiver of such conditions by the relevant financial institution; (c) applicability of any prepayment penalty and its quantum; (d) commercial consideration such as interest rate, tenor of the debt and availability of other financial resources; and (e) other market conditions outside the control of our Company and its management.

2. *Expansion and modernization of our manufacturing facility at Valapady, Salem, Tamil Nadu*

Our Company currently operates through 21 manufacturing facilities located in or near the region of Avinashi, Tamil Nadu. Our main raw material used in the manufacture of garments is cotton spun into greige yarn. We currently use a combination of in-house manufacturing and out-sourcing of spinning capacity to meet our requirements of greige yarn. For details of production process, see the section "*Our Business – Our Operations – Garments Division – Products and Production Process*" on page 126. Further to our strategy of increasing the level of backward integration at our manufacturing facilities, we propose to upgrade and modernize our Valapady facility by increasing our spinning capacity and setting-up a new knitting unit. For such purpose, we intend to utilize ₹701.60 million from the Net Proceeds towards enhancing our existing spinning capacity and setting-up a new knitting facility. The breakdown of the estimated expenditure for the expansion and modernization of the Valapady facility is provided below.

A. Enhancing our spinning capacity at the Valapady facility

Presently at the Valapady facility, our Company has set-up a spinning unit that is supported by a blowroom. A blow room typically opens, cleans and blends the cotton fibre prior to feeding it into the spindles for spinning. The production capacity of the facility varies on the basis of the threadcount of the yarn manufactured. Currently, we manufacture yarn of threadcount 90's CW and 45's CH and our Company is maintaining a capacity utilization ratio of 10:6 for the respective threadcount. The 90's CW threadcount yarn is manufactured by our Company only for sales in the domestic markets and not for internal consumption. In order to enable the Valapady facility to manufacture only 45's CH threadcount for its entire existing capacity which can be used for captive consumption, the blowroom capacity needs to be enhanced thereby balancing the production facility.

Presently, the manufacturing capacity of the Valapady facility is 16,896 spindles and the blowroom has a capacity of 3,200 kilograms per day of cotton. Our Company proposes to increase the blowroom capacity from 3,200 kilograms per day of cotton to 15,015 kilograms per day of cotton. We also propose to increase the overall capacity of the spinning facility from 16,896 to 22,272 spindles to reduce dependency on yarn requirements from third party suppliers.

We intend to utilize ₹472.43 million from the Net Proceeds for enhancing our spinning capacity, a breakdown of which is set forth below.

S. No.	Expenditure Items	Key Machinery required	Amount proposed to be utilized from Net Proceeds for Modernization (in ₹ million)*	Amount proposed to be utilized from Net Proceeds for Expansion (in ₹ million)*	Total (in ₹ million)
1	Expansion and modernization of blow room	Blow room with bale plucker and contamination clearer	3.24	24.88	28.12
2	Expansion and modernization of preparatory machines	Carding, precomber drawing, unilap/lap former, comber, finisher draw frame, simplex	0.95	115.83	116.78
3	Expansion and modernization of spinning with compacting system	Spinning machine	49.96	48.44	98.40
4	Modernization, upgradation and increase in winding capacity	Link coner/auto coner	-	65.74	65.74
5	Related ancillary machinery	Humidification plant, weighing scales, electrical instrumentation, automatic waste collection system, firefighting systems, QC machines	-	85.35	85.35
6	Civil work for enhancing spinning capacity	Construction and refurbishment of factory premises to accommodate expanded capacity	-	78.04	78.04
	Total		**54.15**	**418.28**	**472.43**

** Based on various quotations received from multiple vendors for each of the above-mentioned items.*

We propose to utilize ₹116.78 million towards the expansion and modernization of preparatory machines. This will enable us to recalibrate the count of existing spindles and increasing capacity. Further, to support the enhanced spinning capacity, we propose to utilize ₹28.12 million to increase the blow room capacity and quality. Our Company proposes to utilize ₹98.40 million for the purchase and installation of spinning machines with compacting system. Compactors ensure the accuracy of the density of the output fabric. This will enable us to undertake customized orders and achieve an overall improvement in the quality of our fabric.

The estimated cost for civil work for the spinning facility including the construction of the blow room, the humidification plant room and the comber waste collection room based on the quotation provided by AVS Consultech dated May 14, 2016 to our Company is ₹78.03 million.

B. Setting-up a new knitting unit at the Valapady facility

Our Company presently outsources its entire knitting requirement. In order to reduce our dependency on third party entities for our knitting requirements and to integrate the entire manufacturing process, our Company proposes to set-up a knitting unit adjacent to the spinning unit at the Valapady facility. This would help us reduce cost for transporting our goods to and from the third party knitting facilities and increase efficiency of our manufacturing process with minimal waste and bottlenecks.

Further, we will be able to entirely control the level of compatibility between our knitting machinery and the spinning machinery. This control will enable us to customize the output fabric to a specific quality with maximum precision, enhancing our ability to cater customized orders.

A breakdown of the estimated expenses for setting-up a new knitting unit is as follows:

S. No.	Expenditure Items	Key Machinery required	Amount proposed to be utilized from the Net Proceeds (in ₹ million)
1.	Installation of new knitting machines	Knitting machines	135.37[1]
2.	Civil work for setting-up a knitting unit	Construction of new premises to accommodate new knitting machines with provision for future expansion	33.25[2]
	Total		**168.62**

[1] *Based on quotation from Pai Lung Machinery Mill Company Limited dated May 20, 2016.*

[2] *Based on quotation from AVS Consultech dated May 14, 2016.*

C. Common infrastructure and utilities for the Valapady facility

S. No.	Expenditure Items	Amount proposed to be utilized from the Net Proceeds (in ₹ million)
1.	Common infrastructure for spinning and knitting facility	19.37
2.	Civil work for utilities	41.18
	Total	**60.55**

Our Company proposes to utilize ₹60.55 million for the construction of infrastructure for the spinning and knitting units and common utilities at the Valapady facility. The proposed civil works include electrical systems, compressors, diesel generators, water tanks, cafeteria, compound wall, power house and compressor room.

3. *Addition of balancing machineries for our existing dyeing unit at SIPCOT, Perundurai*

In order to achieve greater productivity and increased efficiency together with improving the quality of our products, we propose to acquire additional balancing machineries for our existing dyeing and drying processes at the processing facility located at SIPCOT, Perundurai.

We estimate a total expenditure of ₹49.12 million to be utilized from the Net Proceeds in Fiscal Year 2017, the details of which is as set forth below:

S. No.	Details of the Machinery	No. of Units	Total cost to be financed from the Net Proceeds (in ₹ million)
1.	Ultra-filtration Membranes[1]	48	4.51
2.	Dyeing Machines[2]	2	6.00
3.	Finishing machines[3]	-	38.61
	Total	**-**	**49.12**

[1] *Based on quotations from Swedo Water Technologies Limited dated January 19, 2016 and March 31, 2016.*

[2] *Based on quotation from Krsna Engimech Private Limited dated January 6, 2016.*

[3] *Based on quotations from BrücknerTextile Technologies GmbH & co. KG, Germany Limited dated January 28, 2016; The quotation was obtained in Euro and the exchange ratio applied is 1 Euro = 74.0637.*

4. *Opening of new stores for the sale of products under the 'Crocodile' brand*

We sell the 'Crocodile' branded products through a sales and distribution network that includes 40 exclusive brand outlets, of which 37 are company owned operated stores and three are franchise stores, and third-party e-commerce platforms. We plan to enhance the presence and sale of the 'Crocodile' branded products and intend to deploy ₹278.54 million for establishing 70 new retail stores in 18 states of India between the Fiscal Year 2017 and Fiscal Year 2019 which will be owned and operated by our Company. The premises for the proposed new stores are expected to be taken on lease or on leave and license basis.

Our Company has identified the locations for setting-up the new stores, which are set forth below. However, we have not yet entered into a lease or other agreement in relation to any of these locations.

State	Stores	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Total
Andhra Pradesh	Bhimavaram	1			1
	Guntoor	1			1
	Hyderabad	2			2
	Karnool		1		1
	Khamam	1			1
	Kurnool	1			1
	Rajamundary		1		1
	Tirupathi		1		1
	Vishakapatnam	1			1
AP Total		**7**	**3**		**10**
Assam	Guwahati		1		1
AS Total			**1**		**1**
Bihar	Patna		1		1
BR Total			**1**		**1**
Chhattisgarh	Raipur			1	1
CH Total				**1**	**1**
Delhi	Delhi	1	1	2	4
DL Total		**1**	**1**	**2**	**4**
Goa	Goa	1			1
Goa Total		**1**			**1**
Haryana	Gurgaon	1	1	2	4
HR Total		**1**	**1**	**2**	**4**
Jharkhand	Ranchi			1	1
JH Total				**1**	**1**
Karnataka	Bengaluru	1	2	1	4
	Davangere		1		1
	Gulbarga			1	1
	Hubli		1		1
	Mangalore		1		1
	Shimuga			1	1
KA Total		**1**	**5**	**3**	**9**
Kerala	Calicut	1			1
	Cochin	1		1	2
	Trivandrum	1			1
KL Total		**3**		**1**	**4**
Maharashtra	Aurangabad		1		1
	Baroda			1	1
	Mumbai	1		2	3
	Nagpur	1			1
	Nashik		1		1
	Pune	1			1
	Solapur			1	1
	Surat		1		1

State	Stores	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Total
MH Total		**3**	**3**	**4**	**10**
Madhya Pradesh	Bhopal	1			1
	Gwalior			1	1
	Indore		1		1
MP Total		**1**	**1**	**1**	**3**
Odisha	Bhubaneshwar		1	1	2
OR Total			**1**	**1**	**2**
Punjab	Amritsar			1	1
	Chandigarh		1		1
	Faridabad		1		1
	Ludhiana			1	1
PJ Total			**2**	**2**	**4**
Rajasthan	Agra			1	1
	Ajmer			1	1
	Jaipur			1	1
	Jodhpur		1		1
RJ Total			**1**	**3**	**4**
Tamil Nadu	Chennai	1	1	1	3
	Coimbatore			1	1
	Madurai		1		1
TN Total		**1**	**2**	**2**	**5**
Uttar Pradesh	Allahabad			1	1
	Ghaziabad			1	1
	Kanpur		1		1
	Lucknow		1		1
	Varanasi			1	1
	Noida	1		1	2
UP Total		**1**	**2**	**4**	**7**
West Bengal	Kolkata		1	1	2
WB Total			**1**	**1**	**2**
Grand Total		**25**	**25**	**20**	**70**

Estimated cost of establishment and deployment of funds

The Net Proceeds will be utilized towards capital expenditure including costs relating to interior works of the stores and cost of finished products to be stocked in such stores. The costs estimates proposed to be incurred in relation to opening new stores have been determined on the basis of quotations obtained by the Company. The Company has not yet incurred any expenses in relation to this Object. The estimated cost of establishment of our proposed new stores is as follows:

S. No.	Particulars	Total
1.	Number of Company owned and operated stores	70
2.	Total fixed asset costs (in ₹ million)(1)	156.40
3.	Security deposits/rental advance (in ₹ million)(2)	63.96
4.	Base stock (in ₹ million)	58.19
5.	**Total Cost (in ₹ million)(3)**	**278.54**

(1) Based on the quotation obtained from Creative Interiors, Bangalore dated December 12, 2015. The validity of this quotation has been extended by a letter dated May 12, 2016 for six months expiring on November 11, 2016.

(2) The premises for the proposed new stores are expected to be taken on lease or on leave and license basis. Payments towards security deposit/advance rental may vary based on various factors including location, city and coverage area of the store.

(3) The total cost of the establishment of new Company owned and operated stores has been estimated at an average carpet area of 630.00 sq. ft. per store.

The breakdown of total fixed assets cost is set forth below:

(Amount in ₹million)

S. No.	Expenditure	Total
1.	Carpentry	32.37
2.	Electrical	9.20
3.	Lighting	16.85
4.	Painting	3.10
5.	Furniture and fittings	24.88
6.	Visual, branding and signage	4.09
7.	Flooring and grid	14.49
8.	Others	5.63
9.	Air conditioning	6.61
10.	IT hardware/software	4.09
11.	Taxes	18.01
12.	Contingency	14.22
	Total	**156.40**

5. ***General corporate purposes***

Our Company proposes to deploy the balance Net Proceeds of ₹356.09 million towards general corporate purposes. This amount will not exceed 25% of the gross proceeds of the Fresh Issue in compliance with the SEBI ICDR Regulations. The general corporate purposes include, but are not limited to, brand building, meeting any ongoing general corporate exigencies, operating expenses or any other purpose as may be approved by the Board or a duly appointed committee of the Board, subject to compliance with the provisions of the Companies Act. The management of our Company, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

Offer Related Expenses

The expenses of the Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. The details of the estimated Offer related expenses are set forth below.

Activity	Estimated expenses (in ₹million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to BRLMs	76.52	51.10	3.20
Selling commission and processing fees for SCSBs(1)	1.63	1.09	0.07
Selling commission and processing/uploading charges for Members of the Syndicate, RTAs and CDPs(1)	4.13	2.76	0.17
Processing/uploading charges for Registered Brokers(2)	0.01	0.01	0.00
Fees payable to Registrar to the Offer	0.01	0.01	0.00
Printing and stationary expenses	10.25	6.84	0.43
Advertising and marketing expenses	24.40	16.29	1.02
Others			
• Listing fees	0.54	0.36	0.02
• SEBI, BSE and NSE processing fees	8.50	5.68	0.36
• Fees payable to Legal Counsel	10.00	6.68	0.42
• Miscellaneous	13.76	9.19	0.58
Total estimated Offer related expenses	**149.75**	**100.00**	**6.26**

(1) ***Selling Commission Structure***

Selling commission on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by members of the Syndicate (including their Sub-syndicate Members), RTAs and CDPs would be as follows:

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable service tax)*
Portion for Non-Institutional Investors	*0.20% of the Amount Allotted* (plus applicable service tax)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

In addition to the selling commission referred above, any additional amount(s) to be paid by the Company and the Selling Shareholder shall be, as mutually agreed upon among the Book Running Lead Managers, their affiliate Syndicate Member, the Company and the Selling Shareholder before the opening of the Offer.

Processing/Uploading Charges
Processing/uploading charges payable will be ₹10 (plus applicable service tax) per valid Bid cum Application Form procured by the Syndicate, RTAs and CDPs.

SCSBs
Selling Commission Structure
Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable service tax*
Portion for Non-Institutional Investors	*0.20% of the Amount Allotted* (plus applicable service tax*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Processing/Uploading Charges
No additional processing/uploading charges shall be payable by the Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.

ASBA PROCESSING FEES TO SCSBs
Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate/Sub-syndicate Members/Registered Brokers/RTAs/CDPs and submitted to SCSBs for blocking would be as follows.

Portion for Retail Individual Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Non-Institutional Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*

**Based on valid Bid cum Application Forms*

(2) ***FOR REGISTERED BROKERS***
Processing/Uploading Charges
Processing/uploading charges payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as follows:

Portion for Retail Individual Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Non-Institutional Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*

**Based on valid Bid cum Application Forms*

All expenses relating to the Offer as mentioned above will be shared between our Company and the Selling Shareholder on a *pro rata* basis, in the ratio of the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale. To the extent required under applicable law, any payments by our Company made on behalf of the Selling Shareholder will be reimbursed by the Selling Shareholder to our Company in proportion to the Equity Shares offered by it in the Offer.

Means of Finance

The fund requirement is entirely proposed to be met from the Net Proceeds. Accordingly, there is no requirement to make firm arrangements of finance under the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer or through existing identifiable internal accruals.

Bridge Financing Facilities

Our Company has not raised any bridge loan as on the date of this Prospectus, which is proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, pending utilization for the purposes described above, intends to temporarily deposit the Net Proceeds only in the scheduled commercial banks in accordance with the Reserve Bank of India Act, 1934 as may be approved by the Board.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for any buying, trading or otherwise dealing in shares of any other listed company or for investment in the equity markets.

Monitoring of Utilization of Funds

In terms of Regulation 16 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹5,000 million. The Board will monitor the utilization of Net Proceeds. Our Company will disclose the utilization of the Net Proceeds, including any interim use, under a separate head along with details in its balance sheet until the Net Proceeds remain unutilized, clearly specifying the purpose for which the Net Proceeds have been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet for the relevant fiscal years subsequent to listing.

Pursuant to the Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. Our Company shall, on an annual basis, prepare a statement of funds utilized for purposes other than those stated in this section and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditor. Further, in accordance with the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the Objects. This information will also be advertised in newspapers simultaneously with the interim or annual financial results of our Company after placing the same before the Audit Committee.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilized have been appraised.

Variation in Objects

In accordance with Section 13(8) and Section 27(1) of the Companies Act, 2013 our Company will not vary the Objects unless such variation is authorized by our Shareholders by a special resolution and in accordance with the terms prescribed under the Companies Act, 2013. Pursuant to the Companies Act, 2013, our Promoters or controlling shareholders are required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, at such price, and in such manner, as may be prescribed in future by the SEBI.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to the Promoter, the Directors, key management personnel and the members of the Promoter Group or Group Entities, except in the normal course of its business and in compliance with applicable law.

BASIS FOR OFFER PRICE

The Offer Price of ₹268 has been determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹10 each and the Offer Price is 26.80 times of the face value.

Investors should also refer to the sections "*Risk Factors*", "*Our Business*" and "*Financial Statements*" on pages 14, 122 and 175, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Competitive strengths

We consider the following to be our competitive strengths:

1. We have a key customer base with reputed international brands.

2. We are one of the leading manufacturers for export of knitted garments for infants and children in India.

3. Our ability to set-up independent units that are integrated with our operations allows us to scale-up our operations.

4. We benefit from our specialization in the manufacture of garments for infants and children.

5. We have strong in-house design, testing, fitment and quality inspection facilities.

6. We have an experienced management team led by our Promoters and key management personnel.

For further details regarding the qualitative factors which form the basis for computing the Offer Price, see the sections "*Our Business – Our Competitive Strengths*" and "*Risk Factors*" on pages 123 and 14, respectively.

Quantitative Factors

Information presented in this section is derived from our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act, 2013 and the SEBI ICDR Regulations.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. ***Basic and Diluted Earnings per Share*** ("**EPS**"):

According to our Company's Restated Standalone Financial Statements:

Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal 2016	18.70	18.70	3
Fiscal 2015	6.03	5.91	2
Fiscal 2014	4.26	4.17	1
Weighted Average	**12.07**	**12.02**	

According to our Company's Restated Consolidated Financial Statements:

Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal 2016	17.15	17.15	3
Fiscal 2015	5.52	5.40	2
Fiscal 2014	3.97	3.89	1
Weighted Average	**11.08**	**11.02**	

Notes:
(1) EPS has been calculated in accordance with Accounting Standard 20 – "Earnings Per Share" issued by the Institute of Chartered Accountants of India. EPS can be defined as follows:

- *Basic EPS: Profit after taxes for the year/period (as restated) attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/period.*
- *Diluted EPS: Profit after terms for the year/period (as restated) divided by weighted average number of diluted equity shares during the year/period.*

(2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. *Price/Earning ("P/E") ratio in relation to Offer Price of ₹268 per Equity Share*

Particulars	P/E at the Offer Price (no. of times)
Based on basic EPS as per the Restated Standalone Financial Statements for FY 2016	14.33
Based on basic EPS as per the Restated Consolidated Financial Statements for FY 2016	15.63
Based on diluted EPS as per the Restated Standalone Financial Statements for FY 2016	14.33
Based on diluted EPS as per the Restated Consolidated Financial Statements for FY 2016	15.63

3. *Return on Net Worth ("RoNW"):*

According to our Company's Restated Standalone Financial Statements:

Period	RONW (%)	Weight
Fiscal 2016	29.08	3
Fiscal 2015	12.25	2
Fiscal 2014	9.02	1
Weighted Average	**20.13**	

According to our Company's Restated Consolidated Financial Statements:

Period	RONW (%)	Weight
Fiscal 2016	30.80	3
Fiscal 2015	13.21	2
Fiscal 2014	9.93	1
Weighted Average	**21.46**	

Notes:
(1) RoNW has been computed as Profit after tax for the year/period (as restated) attributable to equity shareholders divided by Net Worth (as restated) excluding revaluation reserve at the end of the year/period.

(2) Net Worth (as restated) = equity share capital + reserves and surplus (including securities premium exchange reserve (on consolidation), share option outstanding account and surplus/(deficit) in statement of profit and loss).

4. *Minimum RoNW after the Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2015:*

To maintain pre-Offer basic EPS

i. Based on Restated Standalone Financial Statements:

Particulars	Minimum RONW to maintain pre-Offer basic EPS (%)
At the Offer Price	12.95

ii. Based on Restated Consolidated Financial Statements:

Particulars	Minimum RONW to maintain pre-Offer basic EPS (%)
At the Offer Price	12.41

To maintain pre-Offer diluted EPS

i. Based on Restated Standalone Financial Statements:

Particulars	Minimum RONW to maintain pre-Offer diluted EPS (%)
At the Offer Price	12.95

ii. Based on Restated Consolidated Financial Statements:

Particulars	Minimum RONW to maintain pre-Offer diluted EPS (%)
At the Offer Price	12.41

5. ***Net Asset Value per Equity Share:***

According to our Company's Restated Financial Statements:

Period	Restated Standalone Financial Statements (₹)	Restated Consolidated Financial Statements (₹)
As on March 31, 2016	74.92	65.72
As on March 31, 2015	53.06	45.28
At Offer Price	136.47	130.21

Notes
(1) Net Asset Value per Equity Share= Net worth (as restated) excluding revaluation reserve and preference share capital at the end of the year/period *<u>divided</u>* *by number of Equity Shares outstanding at the end of the year/period*

6. ***Comparison with listed industry peers***

We are a leading manufacturer and exporter of knitted garments for infants and children in India. Other than Kitex Garments Limited, we are not aware of any other listed companies in India focused exclusively on the same segments as our Company, especially with respect to our export business of knitted garments for infants and children. The details of Kitex Garments Limited are given below:

Name of the company	For the year ended March 31, 2016						
	Face Value (₹)	Total Income (₹Million)	Basic EPS (₹)	Diluted EPS (₹)	P/E	RoNW* (%)	NAV** (₹)
S.P. Apparels Limited(1)	10	5,417.43	18.70	18.70	14.33	29.08	74.92
Peer Group(2)							
Kitex Garments Limited(3)	1	5,458.17	23.60	23.60	20.04	30.51	77.34

(1) *Source: Based on the Restated Standalone Financial Statements for the year ended March 31, 2016.*

(2) *Based on audited standalone financial results for the financial year ended March 31, 2016.*

(3) *P/E for Kitex Garments Limited is computed based on closing market price as on June 9, 2016, which was ₹473.15 per equity share, at BSE, (available at <u>www.bseindia.com</u>) divided by Basic EPS based on the stock exchange filings for the Fiscal Year 2016.*

* *Return on Net worth is calculated as Profit after tax for the Fiscal Year 2016 divided by the Net worth as at March 31, 2016 based on the stock exchange filings for the Fiscal Year 2016.*

** *Net Asset Value is calculated as Net Worth at March 31, 2016 divided by the number of shares as at March 31, 2016 based on the stock exchange filings for the Fiscal Year 2016.*

For a detailed discussion on the qualitative factors, which form the basis for computing the Offer Price, see the sections "*Risk Factors*" and "*Our Business*" on pages 14 and 122, respectively.

The Offer Price of ₹268 has been determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of the market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. For further details, see the sections "*Risk Factors*" and "*Financial Statements*" on pages 14 and 175, respectively. The trading price of the Equity Shares of our Company could decline including due to the factors mentioned in the section "*Risk Factors*" on page 14 and you may lose all or part of your investment.

STATEMENT OF TAX BENEFITS

The Board of Directors,
S.P. Apparels Limited
39-A, Extension Street,
Kaikattipudur,
Avinashi – 641 654
Tamil Nadu

Dear Sirs,

Re: Certificate of Statement of possible special tax benefits available to S.P. Apparels Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'SEBI ICDR Regulations')

We refer to the proposed public issue of the shares of S.P. Apparels Limited (the "**Company**") and enclose a Note (Refer annexure) showing the possible special tax benefits available to the Company and its shareholders as per the provisions of the Income Tax Act, 1961 ("**IT Act**") (incorporating amendments introduced by Finance Bill 2015) for inclusion in the Red Herring Prospectus and the Prospectus. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the public issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

The benefits outlined in the enclosed statement are based on the information and particulars provided by the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been or would be met with.

Limitations

Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the limited use of S.P. Apparels Limited in connection with its public issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
ICAI Firm's Registration No. 008072S

C.R. Rajagopal
Partner
Membership No. 23418

AVINASHI, JUNE 06, 2016

Annexure

NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO S. P. APPARELS LIMITED AND ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the "IT Act")

S. P. Apparels Limited ("the Company") is an Indian Company, subject to tax in India. The company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purposes of the business, including depreciation. Considering the activities and the business of the company, the following benefits may be available to them.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company under the provisions of the IT Act.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders under the provisions of the IT Act.

Notes:

a. The above statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.

b. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

c. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV: ABOUT OUR COMPANY

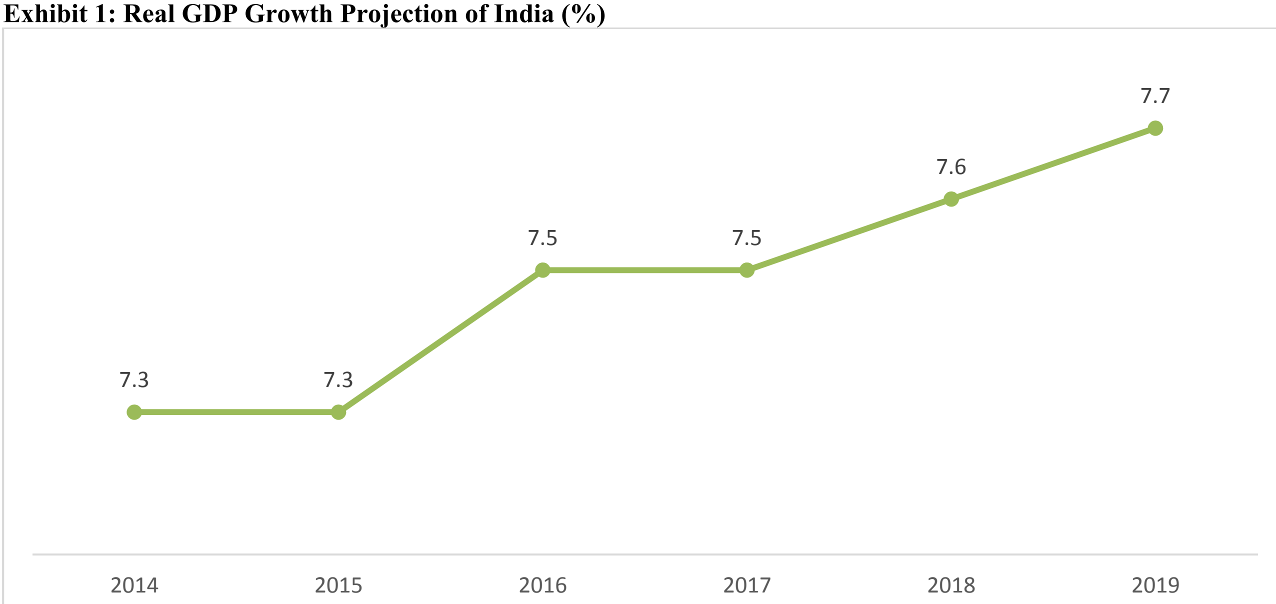
INDUSTRY

The information contained in this section is derived from the report on the "Global Apparel Industry India's Apparel Exports and Domestic Apparel Market" issued by Technopak Advisors Private Limited ("Technopak") dated December 10, 2015, which was commissioned by our Company and other publicly available industry sources. *Neither we, nor the Selling Shareholder, the BRLMs or the financial, legal or other advisors or any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

Overview of the Indian Economy

India is the ninth largest economy of the globe after the United States, China, Japan, Germany, U.K., France, Brazil and Italy. The GDP of India, at current prices, stands at US$ 2.1 trillion which accounts to 2.65% of the world economy *(Source: International Monetary Fund)*. Critical economic factors like oil prices, foreign investments, Government's intent for reforms etc., have tilted in favor of the economy. Through improvement in policy decisions, business and consumer confidence, liberalization of FDI norms, promotion of investment in infrastructure and simplification of tax regime, the focus is returning back on the growth and revival of Indian economy. In addition to these, the country is in the early stage of the demographic dividend where population growth is accompanied by positive impact on the economic growth. India's real GDP is expected to grow at an annual growth rate of more than 7% for the next five years *(Source: International Monetary Fund)* (Exhibit 1).

Exhibit 1: Real GDP Growth Projection of India (%)



Source: International Monetary Fund

The Indian economy is broadly divided into three sectors that contribute to the GDP: agriculture and allied activities, industry and services. The contribution from agriculture is 17%, and that of industry and service sector is 18% and 65% respectively *(Source: Economic Survey 2014-15)*.

Global Textiles and Apparel Industry

Overview of Global Textiles and Apparel Industry

The global textiles and apparel value chain extends across boundaries of countries – while the developed economies like the United States, EU-28 and Japan are among the major consuming countries, most of the production takes place in developing and least developed countries due to low labor cost in these countries. In general, textiles and apparel manufacturing involves highly labor-intensive processes. This has resulted in distinct separation of the value chain into production hubs and consumption centres.

The global apparel market is estimated to be of US$ 1,350 billion in 2014 and is expected to grow at a CAGR of 4.6% between 2014 and 2019. Europe and the United States are the biggest apparel markets with sizes of US$ 425 billion and US$ 305 billion respectively in 2014. Menswear and womenswear contribute 83% to the total global apparel market while childrenswear contributes 17%. The childrenswear market is expected to grow faster (CAGR of 5.6%) than the overall apparel market (CAGR of 4.6%) between 2014 and 2019.

The global imports of textiles and apparel were valued at US$ 822 billion in 2014 (*Source: ITC*). The global imports are expected to grow at a projected CAGR of 5% to US$ 1,060 billion in 2019 *(Source: Technopak Analysis)*. It is expected that the imports of apparel will grow faster than that of textiles (which include fibres, yarn, fabrics and made-ups) owing to the increasing consolidation of textiles and apparel production activities in the same countries. The projected CAGR for apparel imports is 6% for the period between 2014 and 2019, while the imports of textiles are expected to grow at a CAGR of 4% in the same period (*Source: Technopak Analysis*).

Major Apparel Consuming and Producing Countries

Economically developed countries remain major consumption centres for apparel owing to higher per capita income and higher disposable income. Though in the recent years emerging countries like China, Brazil, India etc. have started demonstrating promising consumption potential, the developed countries still contribute the major share to the apparel market owing to their higher per capita consumption. Apparel production which is a labor-intensive industry, has shifted away from developed countries to developing and least developed countries due to the latter's cost competitiveness in manufacturing.

In 2014, the EU-28, the United States and Japan, together, accounted for 70% of the world's total imports of apparel *(Source: ITC, UN Comtrade)* (Exhibit 2). EU-28 was the single largest apparel importing block in 2014 with total imports value of US$ 182.3 billion *(Source: ITC, UN Comtrade)* (Exhibit 2). Within EU-28, Germany, U.K., France, Spain and Italy were the top importers of apparel.

Exhibit 2: Top Apparel Importing Countries

Region/Country	Import Value (US$ billion)	Import Value (%)		CAGR (%)
	2014	2009	2014	(2009-2014)
EU-28	182.3	48%	43%	3.8%
United States	85.7	21%	20%	5.1%
Japan	29.4	8%	7%	4.1%
Hong Kong	15.1	5%	4%	0.5%
United Arab Emirates	9.4	2%	2%	14.5%

Source: ITC, UN Comtrade, Technopak Analysis

Post Multi-Fibre Agreement (MFA) regime, China has emerged as a winner with a share of 36.6% in global apparel exports in 2014 *(Source: ITC, UN Comtrade)*. Bangladesh and Vietnam have registered impressive growth of their apparel exports in the period 2009 to 2014. The CAGR of apparel exports of Bangladesh was 18% in this period while that of Vietnam was 20.4%. Availability of low cost labor and duty-free access to Europe market have contributed to the growth of apparel exports of both Bangladesh and Vietnam. India with exports of US$ 16.5 billion accounted for 3.5% of global apparel exports in 2014. India's apparel exports have grown at a CAGR of 7.9% between 2009 and 2014 *(Source: ITC, UN Comtrade)* (Exhibit 3).

Exhibit 3: Apparel Exports of Top Manufacturing Countries

Region/Country	Export Value (US$ billion)	Export Value (%)		CAGR (%)
	2014	2009	2014	(2009-2014)
China	173.5	31.8%	36.6%	11.5%
Bangladesh	28.1	3.9%	6.0%	18.0%
Vietnam	21.1	2.6%	4.5%	20.4%
India	16.5	3.6%	3.5%	7.9%
Turkey	16.3	3.6%	3.4%	7.7%
Sri Lanka	4.7	1.0%	1.0%	8.5%
Pakistan	4.4	0.9%	0.9%	8.7%

Source: ITC, UN Comtrade, Technopak Analysis

China has started losing apparel manufacturing competitiveness in the global market owing to its increasing labor and energy cost. Additionally, the growing domestic market of China has forced many China based manufacturers to shift focus away from exports market to domestic market. Consequently, the share of China in global apparel exports, which was on an increasing trend in the previous decade, has lost pace in recent years.

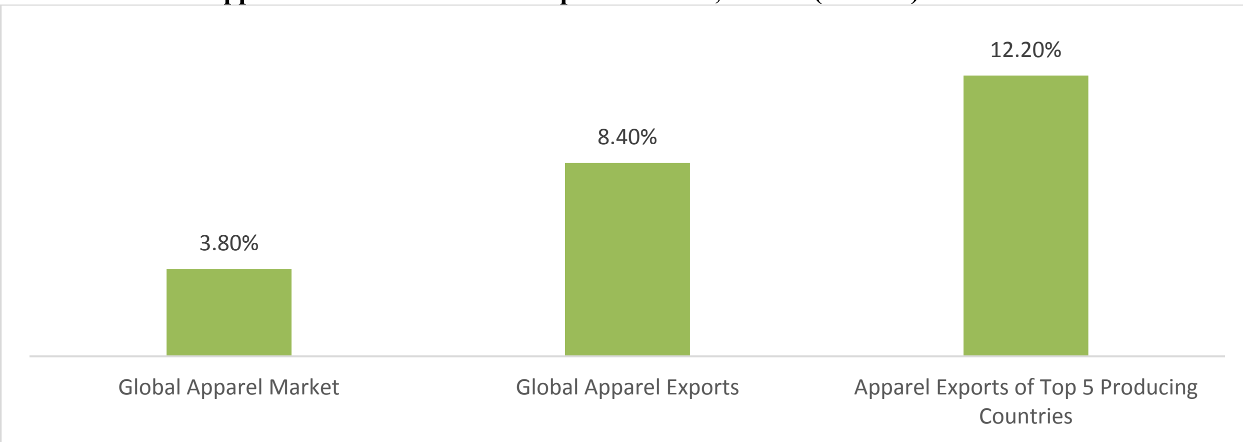
Bangladesh and Vietnam lack integrated value chains and depend on imports for raw material and intermediary products, especially for cotton based apparel manufacturing which is predominantly used in infant and toddler apparel. Bangladesh also faces sporadic issues of social unrest, violation of safe working norms which are expected to affect its future growth in apparel exports. Most of the global brands as a part of their global supply chain mission prefer working only with socially compliant partners. Inadequate infrastructure, limited energy supply and over-dependence on basic apparel are additional challenges for growth of apparel exports of Bangladesh.

India has the advantage of an abundant supply of cotton (second largest producer of cotton), Government support for apparel manufacturing and a strong reputation of meeting stringent quality, environmental and social norms of international buyers. India also has expertise in manufacturing of apparel with embroideries, trims, patchworks and appliques which are often used in children'swear, especially in girlswear. India has the capability to meet design and product development requirements of western market which makes the country a sourcing destination of choice for buyers and buying offices that prefer to outsource designs from suppliers.

Apparel Market Growth v. Apparel Exports Growth

The growth of apparel exports has been higher than the growth of global apparel market for the period 2009 to 2014. This is because of the shifting of apparel manufacturing from consuming countries to producing countries. Apparel exports of major producing countries like China, Bangladesh, Vietnam, India, Turkey etc., in the last decade, have grown at a faster rate compared to the growth of overall global apparel exports (Exhibit 4). These countries have managed to acquire export orders at the expense of other countries that are no longer attractive for apparel manufacturing.

Exhibit 4: Global Apparel Market Growth Vs Exports Growth, CAGR (2009-14)



Source: Market Line, UN Comtrade, Technopak Analysis

Global Childrenswear Market

Childrenswear market is divided into two categories: infant and toddler wear that caters to the age group of 0 to 3 years and kids wear for age group of 4 to 14 years. The childrenswear market includes market for infant and toddler clothing, boys formal and casual wear, boys activewear, boys' essentials, boys' outerwear, girls formal and casual wear, girls activewear, girls' essentials, girls' outerwear and children's accessories.

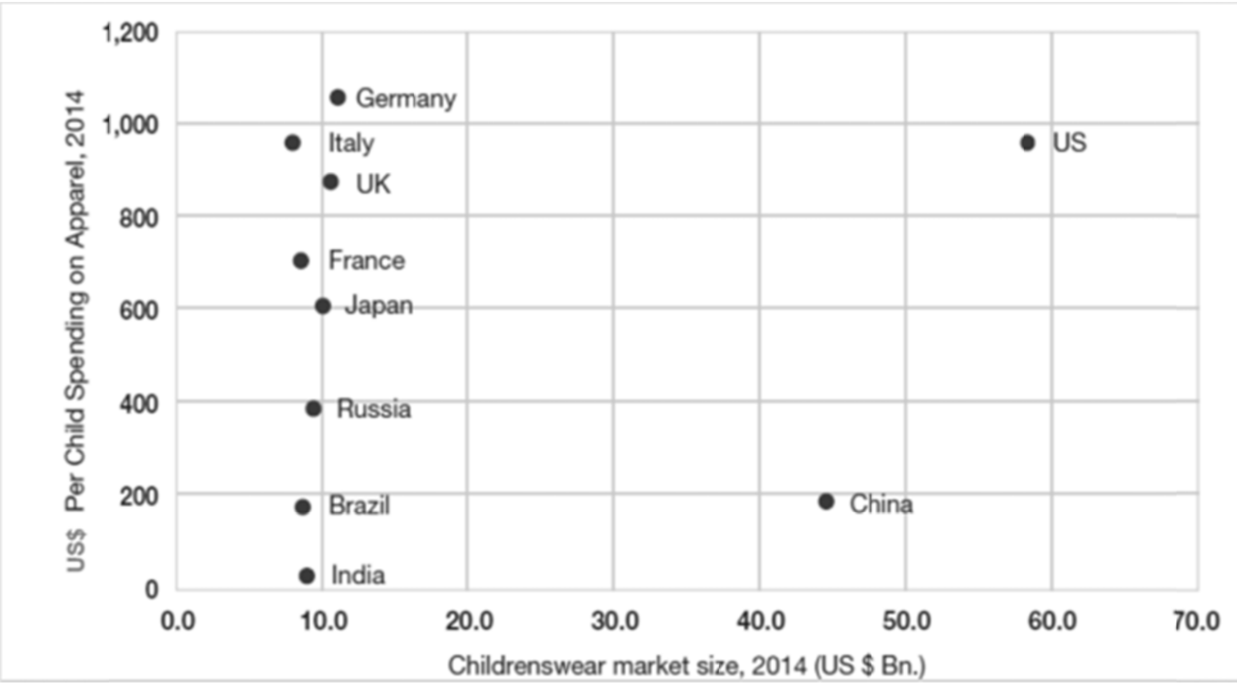
The global infant and childrenswear market is marked by its resilience to pressures on economic conditions and disposable incomes. Generally, parents across the globe tend to cut down their own discretionary spending rather than cutting down spending on children's clothing. While adults can delay purchase of new apparel, children quickly outgrow clothes making purchase of new apparel an absolute necessity.

Market Size and Future Outlook

The global childrenswear market was of US$ 228 billion in 2014 out of which around 20% contribution came from infant and toddler apparel (0 to 3 years) and 80% from other children's apparel (4 to 14 years). While the market has grown at a CAGR of 4.8% between 2009 and 2014, owing to improving global economic outlook the growth rate is expected to increase to a CAGR of 5.6% between 2014 and 2019 to reach a value of US$ 300 billion in 2019. Increasing brand awareness for childrenswear products, growing desire to pay a premium for better quality with higher safety elements etc. are acting as the key growth drivers for the childrenswear market in developed countries. In the emerging economies, increasing penetration of brands in childrenswear categories and rising willingness of parents to spend on children are contributing to the growth of childrenswear market. Additionally, rising media exposure, increasing disposable income of the parents, rising peer pressure, growing fashion and brand consciousness among children are also driving the growth of childrenswear market.

The United States is the largest market for childrenswear with a market size of US$ 58.3 billion followed by China (US$ 44.4 billion) (Exhibit 5). European countries like Germany, U.K., France, and Italy are the leading countries in per child spending on apparel. The growth of childrenswear market in developing countries like China, India, Russia, Brazil etc. has been higher with CAGR in the range of 8% to 12%, between 2009 and 2014 owing to their low base. Exhibit 5 shows the market size of childrenswear in different countries and the CAGR that those respective markets have been growing by

Exhibit 5: Childrenswear Market Size of Different Countries



Source: Market Line, Technopak Analysis

Key Considerations of Childrenswear Market

Safety requirements are stringent for childrenswear: Governments across the developed countries have enacted many laws to ensure minimum safety standards of childrenswear. The safety requirements of childrenswear products are more stringent compared to that of general apparel. The key regulatory considerations for childrenswear in these markets include regulations related to flammability of children's sleepwear, use of sharp edges and small parts and possible choking hazards, presence of cords and drawstrings in neck area, product labelling, use of chemicals in apparel and accessories etc. In addition to the above mentioned regulations, infant and toddler wear is subject to color fastness to saliva test as there is a scope of color moving out of the apparel when it comes in contact with saliva.

Within childrenswear, norms are more stringent for infant and toddler wear: The norms for chemical testing of childrenswear are also more stringent compared to general apparel and within childrenswear the testing norms are most stringent for infant and toddler apparel. For example, for most of the brands the acceptable formaldehyde limit is 20 mg/kg for 0 to 3 years and 75 mg/kg for 4 to 14 years *(Source: Quality manual of leading retailers)*. Most of the brands and retailers have zero tolerance for standards for both chemical and physical safety of apparel intended for children of 0 to 3 years of age. The following table (Exhibit 6) summarizes the key safety requirements of childrenswear, their applicability and potential hazard associated with them.

Exhibit 6: Key Safety Requirements of Childrenswear

Safety Concern	Application /Age	Potential Hazard
Cords and Drawstrings	Garments intended for children between 0 to 14 years	Strangulation and entrapment
Flammability of Nightwear	0 to 14 years, but the requirements are more stringent for 0 to 6 months	Burning injuries, death due to burns
Non-Separable Small Parts	Children between 0 to 3 years	Injuries from detached objects
Separable Small Parts	Children between 0 to 3 years	Choking hazards
Sharp Points	Children between 0 to 3 years	Injuries from sharp objects

Source: Safety Standards and Regulations of the United States and EU, Industry Sources, Technopak Analysis

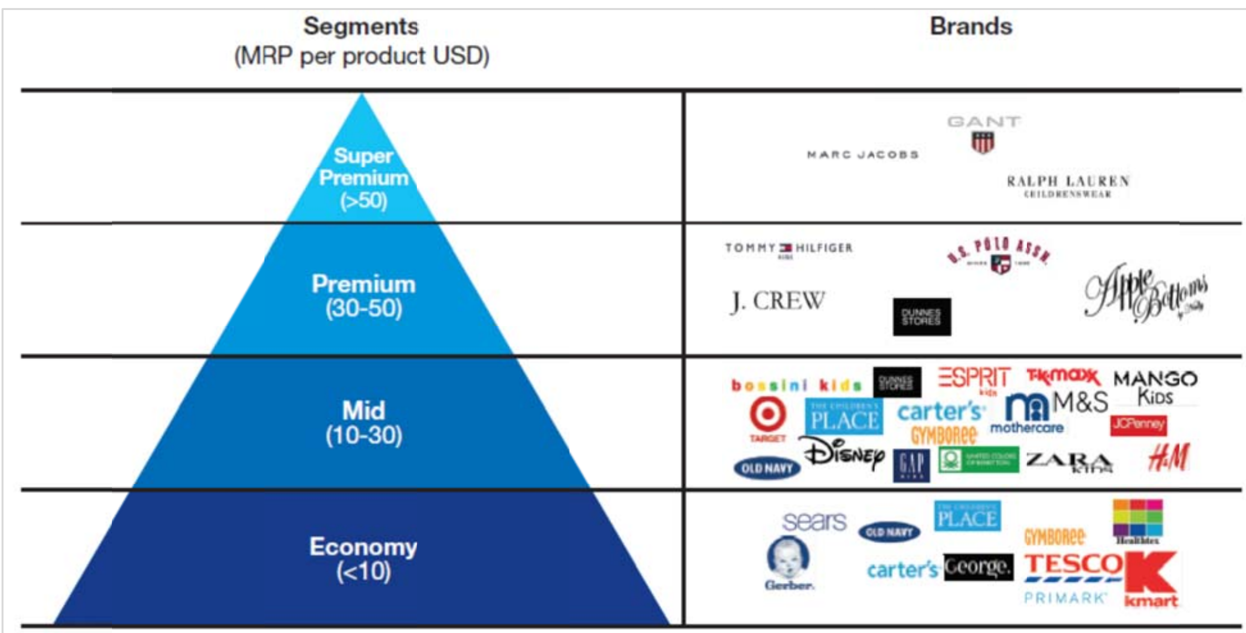
In addition to regulatory standards, Europe also follows voluntary standards: Europe is considered as the market with the most stringent quality requirements. In addition to the mandatory legal requirements, apparel industry in Europe also has many voluntary standards. The key voluntary standards include: Global Organic Textiles Standard (GOTS) for organic textiles, the Business Social Compliance Initiative (BSCI) to monitor social performance of vendors, Oeko-Tex standards to monitor adverse effects of textiles on environment and humans etc.

Key Retailers and Brands in Childrenswear Market

The global childrenswear market is a competitive market with the presence of a large number of international and local brands, private labels etc.

The key global retailers and brands in childrenswear market include Carter's, Dunnes Stores, Disney, Gap Kids, George (ASDA), Gerber, Gymboree Corporation, JC Penney, Justice, Kmart, Kohl's Corporation, Macy's, Mothercare, Sears Holding, Target Corporation, TESCO, The Children's Place, Primark, Wal-Mart, and Zara Kids etc. Additionally, there are numerous local manufacturers, importers, distributors, retailers in the global childrenswear market. Online retailers also offer childrenswear brands and private labels. Price segment-wise positioning of the key global brands and retailers is provided in Exhibit 7 while Exhibit 8 provides numbers for countries having presence of select brands and retailers.

Exhibit 7: Price Positioning of International Brands and Retailers (Infants and Kids)



Source: Company websites, Technopak Analysis

Exhibit 8: Country Presence of Select Brands and Retailers

Brand/Retailer	Head Office	No. of Countries Present, 2014
Carter's	U.S.	100
Gap Inc.	U.S.	90
Mothercare Plc.	U.K.	60
Marks & Spencer	U.K.	59
Inditex	Spain	50
The Walt Disney Co.	U.S.	40
TESCO	U.K.	14
Primark	Ireland	9
Gymboree Corporation	U.S.	4
Children's Place (T.C.P.)	U.S.	Not applicable

Broad estimates based on industry inputs; Source: Technopak Advisors

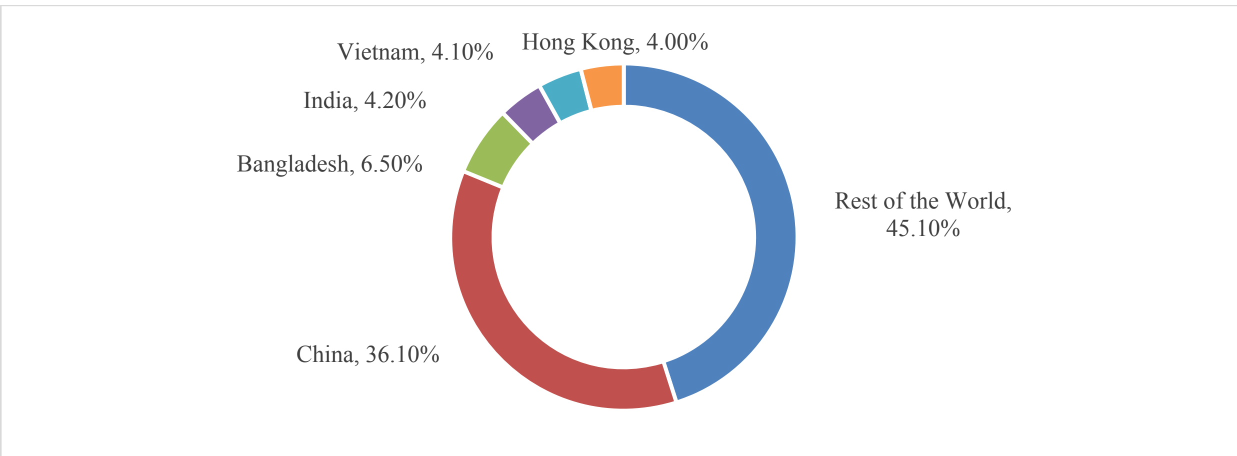
Global Imports of Childrenswear

The estimated value of global childrenswear imports have increased at a CAGR of 6% from US$ 58 billion in 2009 to US$ 78 billion in 2014 (*Source: UN Comtrade, Technopak Analysis*). It is expected that the imports will grow at a CAGR of 7% to reach a value of US$ 110 billion in 2019. Growing childrenswear market in major importing countries owing to improving economic outlook and continuing shift of childrenswear manufacturing to countries with low manufacturing cost will contribute to the increase in growth rate from 6% to 7%. In 2014, global childrenswear market was 16.9% of the global apparel market while global imports of childrenswear apparel was 16.6% of global apparel imports. Global apparel imports value was 34.9% of global apparel market in 2014 and global childrenswear imports was 34.2% of global childrenswear market.

Key Sourcing Destinations

India is among key sourcing destinations of childrenswear: China remains the leading exporter of childrenswear with a global share of 36.1% followed by Bangladesh at 6.5% and India at 4.2% (*Source: Otexa, Euratex, UN Comtrade, Technopak Analysis*) (Exhibit 9). Vietnam, Italy, Hong Kong, Turkey, Indonesia are among the other key sourcing destinations of childrenswear. Knits childrenswear exports of China and India have increased at a CAGR of 6% and 7% respectively, between 2009 and 2014. However, Bangladesh and Vietnam have managed to demonstrate CAGR of 10% and 9% in the same period. On the other hand, among other major exporters Turkey, Indonesia, Sri Lanka and Thailand have witnessed negative growth rates in exports of knits childrenswear from 2009 to 2014.

Exhibit 9: Exports Share of Key Sourcing Destinations of Childrenswear, 2014 (Value)



Source: Otexa, Euratex, UN Comtrade, Technopak Analysis

India has distinct advantages in childrenswear exports: Cotton is the most used fibre in childrenswear, especially, infant and toddler wear. India is the second largest producer of cotton after China and India's cotton spinning, weaving and knitting sub-sector add to the strength of the country as a manufacturer and exporter of childrenswear. At a time when major brands and retailers are exploring sourcing destinations beyond China, India emerges as an obvious choice for sourcing cotton based childrenswear. India's strength goes well beyond its cotton base to its ability to produce organic cotton, meet organic cotton processing standards, adhering to stringent quality, social compliance and environmental compliance norms. As discussed earlier, India also has an advantage in manufacturing of childrenswear with design elements like hand embroideries, patchworks and appliques. These elements are often used in girlswear. Consequently, India commands a premium in unit value realization in exports market which is reflected in per unit cost of infant and toddler apparel exported by India compared to other countries.

Sourcing Trends

International brands and retailers are redefining sourcing norms: The international brands and retailers are increasingly focusing on brand building, marketing and merchandising, while outsourcing product development, designing and actual production activities to their manufacturers. However, these brands and retailers have robust quality control measures and social compliance programs to ensure sourcing of socially compliant quality products.

The bigger brands and retailers have been shifting from imports through agents and importers to own managed sourcing offices in China, Hong Kong, Singapore, India, Bangladesh and other Asian countries. The brands and retailers are also increasingly consolidating their sourcing base to limited number of countries and specific manufacturers within those countries. This helps them to work more closely with a limited number of suppliers to improve efficiency and effectiveness. Hence, the countries and the manufacturers who are already working with international brands and retailers are expected to benefit owing to consolidation of sourcing.

Access to cotton base is a critical factor for infant and toddler apparel: Though countries that have the ability to produce childrenswear at a competitive cost have an edge in attracting exports orders, for many childrenswear products, especially for infant and toddler apparel, countries that have access to cotton fibre and that can meet safety and compliance norms perform better. The share of cotton based products in infant and toddler apparel has remained around 80% over the last decade. Due to better moisture absorption and higher comfort characteristics, it is expected that the share of cotton in global imports of infant and toddler apparel will remain high. China and India have the advantage of being the largest cotton producers of the globe. Bangladesh and Vietnam import cotton yarn and fabric for its apparel exports which increases lead time of these countries.

Stringent safety standards coupled with design and manufacturing complexity makes childrenswear manufacturing a specialised business: In addition to the stringent quality and regulatory norms of developed markets, higher degree of fashion elements, smaller batch sizes, wider product range, especially in Europe, makes childrenswear manufacturing a highly specialised business that requires additional investments in setting-up quality laboratories with advanced testing methods, special metal-free compartments within manufacturing units and extra investment in training to ensure comprehensive understanding of test procedures and regulatory aspects. Childrenswear manufacturers also ensure that their fabric, chemical and accessories (buttons, zippers etc.) suppliers adhere to the stringent norms.

Outsourcing norms of childrenswear expected to remain stringent: Outsourcing norms of key international brands are expected to remain stringent in the coming years. In addition to price, manufacturers of childrenswear categories have to comply with both regulatory and non-regulatory norms for boosting their exports. Brands and retailers are increasingly considering factors beyond price and quality in their sourcing criteria, consequently, factors like service levels and compliance with social norms etc. have gained importance. Vigilant non-government organizations in developed markets are continuously forcing them to focus on sustainable, ethical and eco-friendly manufacturing and business practices.

Brands and retailers prefer working with manufacturers with proven track record: Owing to the special considerations associated with childrenswear, brands and retailers increasingly prefer to source from manufacturers who have proven track record of consistent quality and safety along with the ability to meet ethical and ecological considerations. Consequently, manufacturers who have robust in-house quality control norms, in-house quality audit systems and testing facilities are emerging as preferred sourcing partners of these brands and retailers.

In-house product development and design studios is providing a competitive edge to manufacturers: As a global trend, the traditional product-driven supply chain of childrenswear industry has transformed into a market-driven one. Consequently, the best-in-class childrenswear manufacturers are increasingly emphasising on catering to the market need through in-house design and product development. Manufacturers who have in-house product development and design studio have the potential to partner with their customers in the very early stage of product development to harness this opportunity and to strengthen their reputation as a reliable long-term supplier who could partner with its customers.

Brands and retailers prefer manufacturers with flexible manufacturing set-up and automated systems like ERP: The childrenswear brands and retailers, especially those catering to the Europe market, prefer manufacturers who have efficient and flexible manufacturing set-up with the ability to manage shorter batch sizes, high number of styles in a cost effective way. Thus, manufacturers who have lean manufacturing set-ups, adaptive manufacturing approach through multi-location manufacturing, right inventory management techniques and automated systems of manufacturing, like ERP systems, have distinct advantage in supplying to such brands and retailers.

New manufacturers to face high barriers to entry in childrenswear exports market: The barriers to entry in childrenswear manufacturing for exports markets are comparatively higher than general apparel owing to the following reasons:

- Stringent quality requirements and high compliance norms that require additional investments in quality control systems and training of resources.
- High design complexity and shorter batch size requires time and experience to optimize process parameters to gain cost competitiveness in international markets.
- Running of in-house product development and design systems requires experience in handling childrenswear products and knowledge of childrenswear market trends in western markets.
- Increasing preference of brands and retailers to work with companies with proven track record makes it difficult for new entrants to acquire customers in exports market.

Advantages of India as a Children's Apparel Supplier

India has several advantages in producing and exporting childrenswear products. Some of the key strengths that provide India a competitive edge on the global platform are:

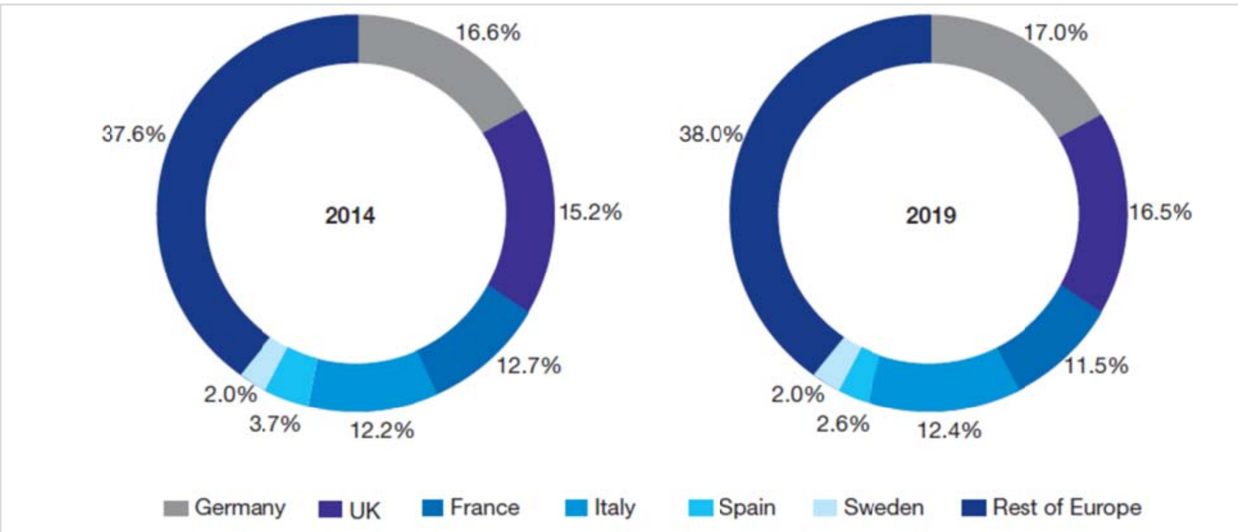
- Presence of integrated cotton value chain in India as cotton is the preferred raw material in childrenswear, especially in infant and toddler apparel. India is the second largest producer of cotton after China.
- Access to skilled man power (for manufacturing of apparel with high fashion elements and other complexities) at competitive wage rates compared to other major cotton producing countries like China, Turkey etc.
- Availability of entrepreneurial and managerial talent in the country who have managed to set-up world class factories to attract leading importers, brands and retailers of the world.
- Ability to execute orders that require high degree of product safety compliance and strict quality control measure, many other low cost apparel producing countries fail in adhering to norms in this aspect.
- Favorable Government policies for apparel exports including duty draw back facility, interest subvention option, support for technology upgradation and skill development etc.
- Increasing Government focus on converting raw material and intermediate goods to apparel to gain higher exports value realization.
- India has the advantage of being a sourcing location for design based, value added fashion range. Product development and design capabilities are expected to drive apparel manufacturing and exports from India.
- Technology adoption of Indian manufacturers is higher compared to other low cost manufacturing countries. This provides an advantage in manufacturing of apparels that involve intricate design elements and require higher precision levels.
- Trust of international importers, buyers and retailers on Indian manufacturers when it comes to adhering to lead times and terms of trade.

European Childrenswear Market

European Childrenswear Market Size

The childrenswear market of Europe stood at US$ 66.4 billion in 2014, demonstrating a CAGR of 1.4% from 2009 to 2014 (*Source: Market Line*). It is expected that Europe's market will grow at a CAGR of 2.1% for the five-year period between 2014 to 2019. Within Europe, Germany is the single largest market for childrenswear followed by U.K., France, Italy, Spain and Sweden. Owing to better economic outlook and higher birth rates, the share of Germany and the U.K. in Europe's childrenswear market is expected to increase further (Exhibit 10).

Exhibit 10: Country-wise Split of European Childrenswear Market



Source: Market Line, Technopak Analysis

Key Retailers and Brands in European Childrenswear Market

European childrenswear market is catered by both European and international brands: The European childrenswear market is marked by the presence of both European and international brands and retailers. ASDA, Carter's, Disney, Dunnes Stores, Gap Kids, Gerber, Gymboree Corporation, JC Penney, Justice, Kmart, Kohl's Corporation, Macy's, Mothercare, Primark, Sears Holding, Target Corporation, TESCO, The Children's Place Wal-Mart, Zara Kids etc. that compete in the global market also compete in the European market.

ASDA, Primark, TESCO etc. have emerged as market leaders is the U.K. childrenswear market: Owing to their ability to offer a wide product portfolio at a reasonable price, players like ASDA, Primark, and TESCO etc. have emerged as the leading players in the U.K. childrenswear market. These retailers have the ability to withstand future economic downturn as their product offering is primarily for mid and economy price segments and consumers generally trade down to these segments in times of economic down turn. Manufacturers supplying to these retailers are expected to be least affected by economic pressures.

Growth Forecast and Demand Drivers

The childrenswear market of Europe is expected to grow at a CAGR of 2.1% for the next five years. Within Europe, the corresponding number for the U.K. is 3.5% as it has witnessed improvements in birth rates in the recent years. Increasing quality consciousness is driving the growth of the market. Parents are willing to pay a premium for the products that convince them of the safety and quality aspects. In Europe social factors like couples postponing their parenthood to a later stage until they have higher income level, a glut of grandparents with high disposable income, increasing number of style conscious parents and children etc. are acting as propellants for the growth of childrenswear market. In addition to these factors, smart product portfolio, merchandise management, visual merchandising and advertisements of brands and retailers have helped them to compel parents to spend more on childrenswear contributing to the growth of the market.

India's Apparel Exports Performance

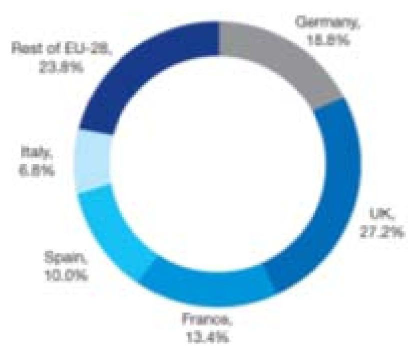
In 2014, India exported apparel worth US$ 16.5 billion. India's total apparel exports value increased by a CAGR of 7.9% between 2009 and 2014 *(Source: UN Comtrade, Technopak Analysis)*. During this period India's exports of woven apparel grew at a faster CAGR 8.1% compared to knit apparel which grew at 7.6%. However, in the global market, demand for knit apparel has been increasing at a higher rate, especially in categories like T-shirts, dresses etc. Hence, knit apparel exports is a potential growth opportunity for India. The EU-28 is the biggest importer of Indian apparel with a share of 41.1% followed by the United States which has a share of 21.7% *(Source: ITC, UN Comtrade)* (Exhibit 11). Within the EU-28, U.K., Germany, France and Spain are the major export destinations *(Source: UN Comtrade, ITC)* (Exhibit 12).

Exhibit 11: Top Apparel Export Destinations of India

Region/Country	Import Value (US$ million)	Import Value (%)		CAGR (%)
	2014	2009	2014	(2009-2014)
EU-28	6,789.1	50.7%	41.1%	3.4%
United States	3,586.1	23.8%	21.7%	5.9%
United Arab Emirates	2,329.6	8.6%	14.1%	19.0%
Saudi Arabia	293.8	2.3%	1.8%	2.4%
Belgium	291.3	1.8%	1.8%	6.9%

Source: ITC, UN Comtrade, Technopak Analysis

Exhibit 12: Country-wise Split of India's Apparel Exports to EU-28, 2014



Source: Technopak Report

Competing Countries

Apparel production has moved away from the developed countries to developing countries, especially to developing countries of Asia. Consequently, along with China, South Asian and South-East Asian countries have emerged as key competitors to India in apparel exports. Turkey, due to its close proximity to Europe retains its competitiveness in exports for high-end apparel that have high inventory carrying cost. China, undoubtedly, has emerged as the top player in apparel production and exports and has the largest share in the global exports. However, with increasing shift of production to low wage countries and increasing labor and energy cost of China, it is expected that manufacturing will shift towards other Asian countries including India. In addition to China, Bangladesh, Vietnam, Indonesia, Pakistan, Turkey are key competing countries of India in apparel exports. Exhibit 13 summarises key strengths, weaknesses, opportunities and threats associated with Indian and some select competing countries.

Exhibit 13: SWOT Analysis of India and Select Competing Countries for Apparel Exports

Country	Strengths	Weaknesses	Opportunities	Threats
China	→ Access to raw material → Ability to execute large orders → Integrated supply chain → Availability of skilled labor	→ Rising labor and power cost → Dependency on imports for raw material	→ Low wage in central and west China → Proximity to trading hubs like Hong Kong and Singapore	→ Competition from other Asian countries → Shifting focus to growing domestic market
India	→ Access to cotton → Availability of skilled labor → Integrated supply chain → Ability to meet compliance norms → Design and product development capabilities → Long term relationship with brands and retailers	→ Poor infrastructure → Lack of polyester value chain → Quality of power supply	→ FTAs with key markets including EU-28 → Converting more of fibre, yarn and fabric to apparel within the country	→ Shifting of production to Africa → FTAs of key markets with other countries
Bangladesh	→ Low wage → Conducive government policies → Duty-free access to Europe market	→ Lack of vertical integration Poor infrastructure History of failure in meeting compliance norms	→ More support from government as the sector plays central role → More favorable import duty from developed markets	→ Social unrest and poor industrial relations
Pakistan	→ Access to cotton → Low wage → Government support → Considered as a denim and home textiles producer	→ Political instability → History of failure in meeting compliance norms → Poor power supply	→ GSP status with EU-28 → Huge pool of labor	→ Threat of terrorism and policy reversal → Social and political unrest
Indonesia	→ Government support → Economic partnership with Japan	→ Rising labor cost → Lack of cotton production → Poor infrastructure	→ More conducive government policies → Incentives to FDI	→ Losing cost competitiveness → Vulnerability to natural disasters
Vietnam	→ Stable social, economic and political conditions → Young workforce	→ Lack of access to raw material → Rising power cost → High lead time	→ FTAs including TPP → Scope of specialization and modernization	→ Import dependency → High lead time for western markets
Turkey	→ Proximity to Europe → Ability to produce high value high fashion apparel	→ High labor cost → Poor cost competitiveness in commodity apparel	→ Government support → Product development and innovation	→ Other Asian, South American and African countries

Source: Technopak Analysis

Comparative Analysis of Competing Countries

An overview of different products exported from the major apparel exporting countries reveals that China and Turkey focus more on finished products including apparel and made-ups. China, despite being the largest producer of textile fibres has only 8.8% share in total fibre exports which is less than India's share of 10% *(Source: UN Comtrade)* (Exhibit 14). Bangladesh, Vietnam and Sri Lanka also focus primarily in apparel exports and their contribution to textiles exports is comparatively low. Bangladesh, Vietnam and Sri Lanka lack backward integration but they manage to leverage their advantage in low wage labor in manufacturing of basic apparel products.

Exhibit 14: Share of Selected Countries in Global Exports across T&A Value Chain (2014)

Country	Apparel	Fabric	Yarn	Fibre	Made Ups and Others
China	36.8%	41.9%	21.5%	8.8%	33.4%
India	3.5%	3.4%	11.6%	10.0%	6.3%
Bangladesh	6.0%	0.1%	0.8%	0.3%	0.9%
Pakistan	0.9%	2.1%	3.7%	0.7%	3.7%

Country	Apparel	Fabric	Yarn	Fibre	Made Ups and Others
Indonesia	1.6%	1.1%	4.6%	1.5%	0.6%
Turkey	3.5%	3.6%	3.5%	0.8%	4.7%
Vietnam	4.5%	0.7%	4.6%	0.6%	1.2%

Source: UN Comtrade, Technopak Analysis

Though most of the international buyers, brands and retailers have been sourcing large volumes of their apparel from China, increasing labor cost in China has forced them to explore sourcing destinations beyond China. This has started creating opportunities for other Asian apparel exporting countries like India, Turkey, Pakistan, Bangladesh, Vietnam etc. India is well positioned to tap this opportunity owing to its established reputation as a sourcing country to all the major international players of repute. Conversion of textiles into apparel within India will increase exports value of the country as value added products fetch a higher exports value realization. India is among the top sourcing destinations of cotton based apparel manufacturing. A composite ranking of selected countries in cotton based apparel manufacturing is provided in Exhibit 15:

Exhibit 15: Composite Ranking of Selected Countries in Cotton Based Apparel Manufacturing

Parameters	China	Bangladesh	India	Pakistan	Vietnam	Sri Lanka	Turkey
Composite Ranking	1	2	3	4	5	6	7
Raw Material	●	◔	●	◕	◔	◔	◑
Labor Cost	◔	●	◑	◕	◕	◑	○
Labor Skills	◕	◑	◑	◑	◕	◕	◕
Manufacturing Skills	◑	◔	◑	◕	◕	◕	◔
Infrastructure	●	◑	◑	◑	◔	◔	◕
Service Levels	◕	◑	◑	◑	◕	◕	◕
Technology	◕	◑	◕	◑	◑	◑	◕
Government Policy Support	◕	◔	◑	◑	◑	◑	◑
Integrated Value Chain	●	◑	●	◕	◔	◔	◑

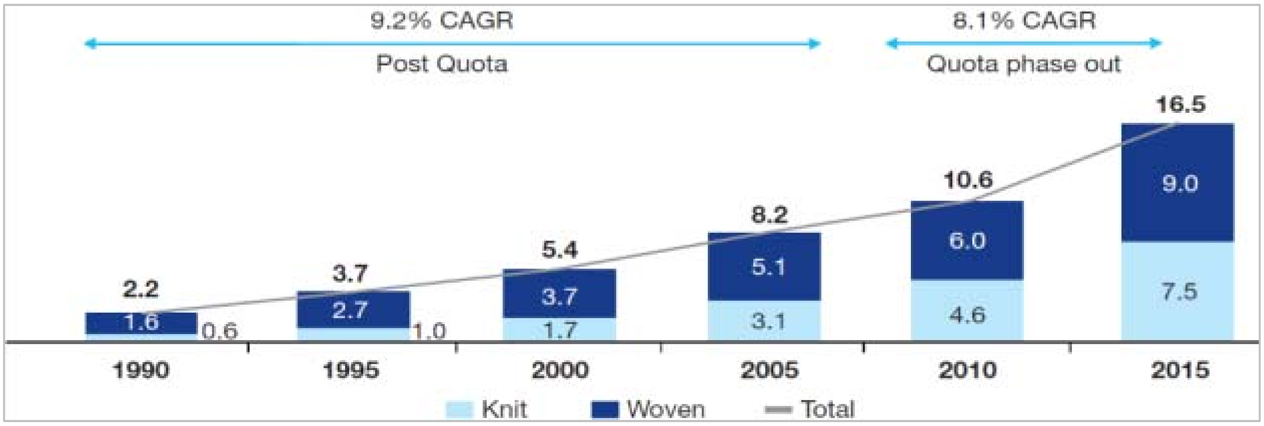
Source: Technopak Analysis Weakness ○ ◔ ◑ ◕ ● Strength

Growth Potential of India

India remains a preferable apparel sourcing destination owing to its strengths of having an abundant supply of raw material, vertically integrated supply chain, expertise in value added apparel manufacturing, availability of skilled manpower and well-established relationship with key global buyers.

Historical Trend of India's Apparel Exports: India's apparel exports have increased at a CAGR of 9.2% between 1990 and 2005 and at 8.1% from 2005 to 2014 (*Source: UN Comtrade*) (Exhibit 16). India has traditionally been exporting more of textiles (fibre, yarn, fabric) than apparel. However, India's focus has shifted to more value addition within the country and exports of finished products rather than exporting raw material and intermediate products.

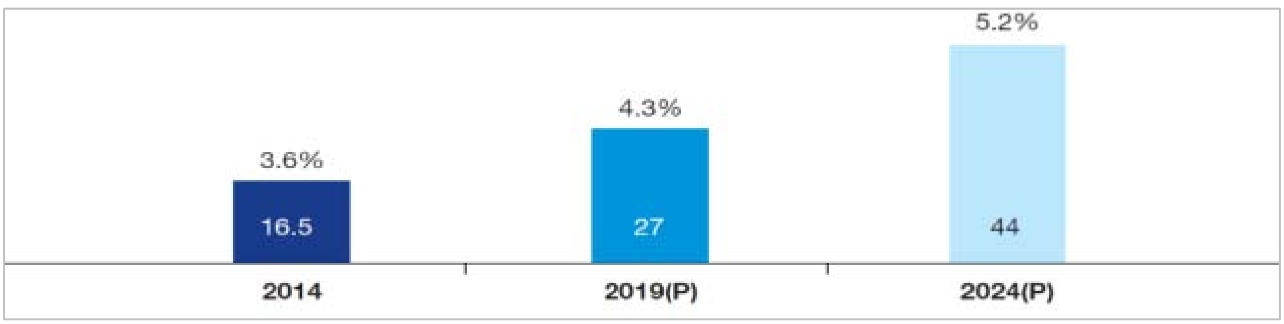
Exhibit 16: Historical Trend of Apparel Exports of India (US$ billion)



Source: UN Comtrade, Technopak Analysis

Projected Apparel Exports: India's apparel exports are expected to grow at a CAGR of 10% to reach US$ 44 billion by 2024 (Exhibit 17) due to increasing focus on apparel manufacturing in the country. This will increase India's share in global apparel exports from 3.6% in 2014 to 5.2% in 2024.

Exhibit 17: Projected Trend of Apparel Exports of India (US$ billion)



Source: Technopak Analysis. Factors considered for forecast: historical growth of India's exports segment-wise, shift in share of India in global exports, Government's thrust areas, trends in exports, economic growth of key markets

Key Growth Drivers for India: The following factors will act as growth drivers for India's apparel exports: (i) increasing manufacturing cost of China that forces brands and retailers to look beyond China; (ii) presence of local sourcing offices of global brands/retailers in India; (iii) ability of India to adhere to compliance norms in comparison to other low-cost countries like Bangladesh, Pakistan etc.; (iv) presence of design driven manufacturers who have offices (or small design team) in Europe and/or the United States that provide such manufacturers better visibility, strong understanding of buyers image and look and help to create client specific design collection/samples and reduce time of sample development and final selection; (v) increasing government focus on converting raw material and intermediate products within India and to export final products which provide higher value realization; and (vi) integrated cotton supply chain.

Government Incentives

The Government of India provides several production and exports related incentives to promote apparel manufacturing and exports of India. The key incentives are discussed below.

Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS): RR-TUFS scheme supports modernization and upgradation of the industry. Under RR-TUFS, the Government provides 5% interest reimbursement and 10% capital subsidy on specified machinery for apparel units and fabric processing and 5% for knitting and fabric embroidery.

Schemes for Integrated Textiles Parks (SITP): SITP scheme aims to provide the industry world class infrastructure facilities for setting-up their textiles and apparel production units. Under this scheme, the Government of India supports by the way of grant or equity limited to 40% of the project cost subject to a ceiling of ₹40 crore to cover cost of common infrastructure and buildings for production/support activities.

Schemes for Incubation in Apparel Manufacturing (SIAM): The objective of SIAM scheme is to promote new entrepreneurs in apparel production by providing them with an integrated workspace with complete eco-system including ready-to-use play and plug factory building comprising of operations area, packing, office, store, workers' amenities etc.

Schemes for Textile Industry Worker's Accommodation: The Scheme for Textiles Industry Worker's Accommodation aims to provide safe, adequate and conveniently located accommodation for textiles and apparel industry workers in the proximity of high concentration of textiles and apparel industries.

Integrated Skill Development Scheme (ISDS): ISDS aims to address the need for trained manpower for textile and apparel industry through development of a cohesive and integrated framework of training that increases employability of residents and caters to the wide range of skill sets required for the industry. Under this scheme, the Government provides assistance to the extent of 75% of the total cost of the project.

Merchandise Exports from India Scheme (MEIS): MEIS has replaced five different schemes of earlier FTP (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip and Vishesh Krishi and Gram Udyog Yojana **(**VKGUY)) for rewarding merchandise exports which had varying conditions (sector specific or actual user only) attached to their use. Rewards for export of notified goods to notified markets under MEIS are payable as percentage of realized FOB value (in free foreign exchange). For most of the apparel products being exported to the United States, Europe, Japan and some other traditional markets the reward rate is 2% of the FOB value.

Interest Subvention Scheme under FTP: Interest Subvention Scheme provides apparel exporters, a better access to subsidised credit, with the government set to reintroduce the interest subvention scheme for the labor-intensive sectors in the coming months. The 3% interest subvention scheme for exports lapsed in April last year, but is expected to be reintroduced within a few months. In the union budget for 2015-16, ₹1,650 crore has been allocated for this.

Duty Drawback on Exports: The Government of India provides duty drawback for exports of both woven and knit apparel. The duty draw back rate on apparel ranges from 4% to 10% with a drawback cap of ₹20 to ₹600 per unit depending on the product category when CENVAT facility has not been availed from 1.3% to 4% with a drawback cap of ₹3 to ₹300 when CENVAT facility has been availed.

The growth of the global textiles and apparel trade has also been driven by various trade agreements. Though India has several trade agreements, CEPA and SAFTA have substantial impact on textiles and apparel industry. In order to liberalize its trade, India has been negotiating trade agreements with a number of countries on an ongoing basis.

Unlike other low cost countries like Bangladesh, Vietnam, Pakistan etc.; India doesn't have the advantages associated with Generalized Scheme of Preferences (GSP) that allows developing country exporters to pay less or no duties on their exports to the developed countries. Out of the major markets of the USA, Europe and Japan; India has preferential access only to the Japan market. Any kind of preferential access or FTA with EU-28 and/or USA has the potential to boost India's apparel exports

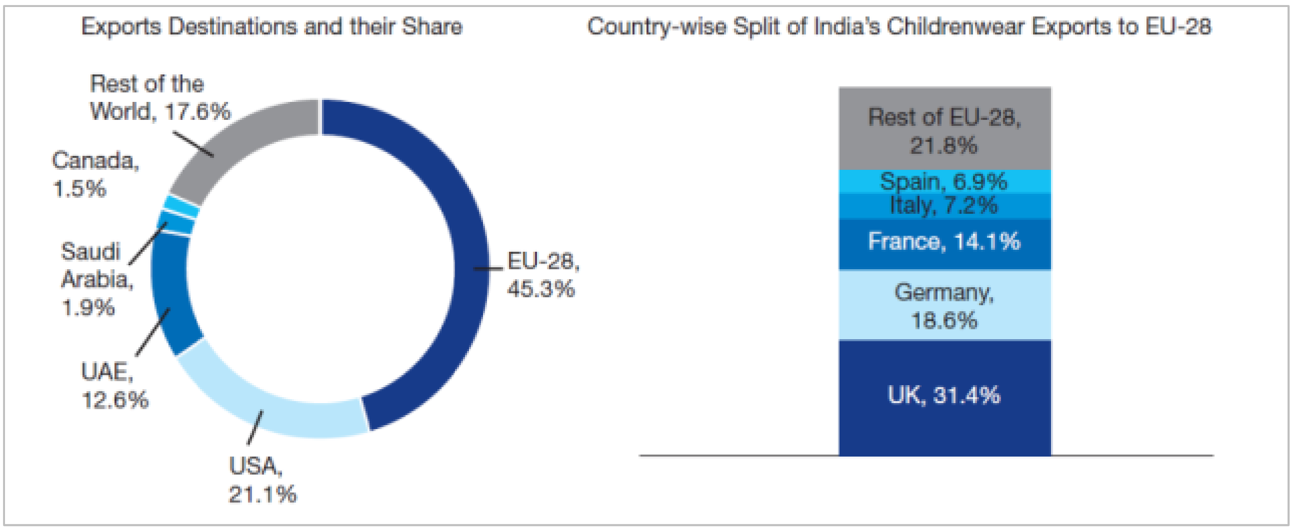
India's Exports of Childrenswear

As discussed earlier, India is among the top sourcing destinations for childrenswear products. Most of the major generic retailers, fashion specialty retailers/brands and childrenswear specific retailers/brands source childrenswear products from India.

India's knit childrenswear exports have grown at an impressive CAGR of 11.2%: India's childrenswear exports have grown at a CAGR of 5% between 2009 and 2014. It is noteworthy that while the growth of woven childrenswear exports of the country have grown only at a CAGR of 1.1%, knits childrenswear exports growth have been at a CAGR of 11.2% between 2009 and 2014. Along with the increasing demand of knits compared to woven, this double digit growth is also attributable to lower base of knits childrenswear exports in 2009 (US$ 0.9 billion). In 2009 the share of knits to woven in India's childrenswear exports was 37% to 63% in favor of woven, which changed to a ratio of almost 50% to 50% in 2014.

EU-28 and the United States together contribute 66.4% of India's knit childrenswear exports: The share of EU-28 in India's childrenswear exports was 45.3% in 2014 (Exhibit 18). Within EU-28, U.K. is the single largest importer with a share of 31.4% followed by Germany and France with shares of 18.6% and 14.1% respectively. The United States is the single biggest importing country of India's childrenswear with a share of 21.1% followed by the UAE at 12.6% and Saudi Arabia at 1.9%. The UAE is a trading hub that re-exports childrenswear to various countries in the Middle East, Europe, and North Africa etc.

Exhibit 18: Key Export Destinations of India's Childrenswear, 2014 (Value)



Source: Otexa, Euratex, UN Comtrade, Technopak Analysis

Key Players in Childrenswear Exports: Both Indian and international manufacturers compete in the exports market for childrenswear. Some of the key international exporters include Wingloo of China, Gimmel of Singapore, Kitex Garments and S.P. Apparels of India, Urmi Group, Divine Group, Textown etc. of Bangladesh. Wingloo has a production capacity of 225 million pieces per annum while the production capacity of Gimmel is 195 million pieces per annum *(Source: Industry Reports)*. India based Kitex Garments and S.P. Apparels have production capacity of 165 million pieces and 50 million pieces respectively. Urmi Group of Bangladesh has a production capacity of 22 million pieces per annum and around 15% of the group's exports revenue comes from childrenswear. Divine group has a production capacity of 18 million pieces per annum.

Kitex Garments and S.P. Apparels are leading childrenswear exporters of India: Kitex Garments is the largest childrenswear exporter of India followed by S.P. Apparels. The estimated share of S.P. Apparels in India's knit childrenswear exports for the age group 0 to 8 years was around 8.5% in terms of value. Kitex Garments and S.P. Apparels are also the leading childrenswear manufacturers of India. The other key childrenswear exporters are: Jay Mills, Eastman Exports, SCM Garments, and KPR Mills. Product portfolios, production capacities, key markets and clients of these competitors are provided in Exhibit 19.

Exhibit 19: Competitive Landscape for Childrenswear Exports

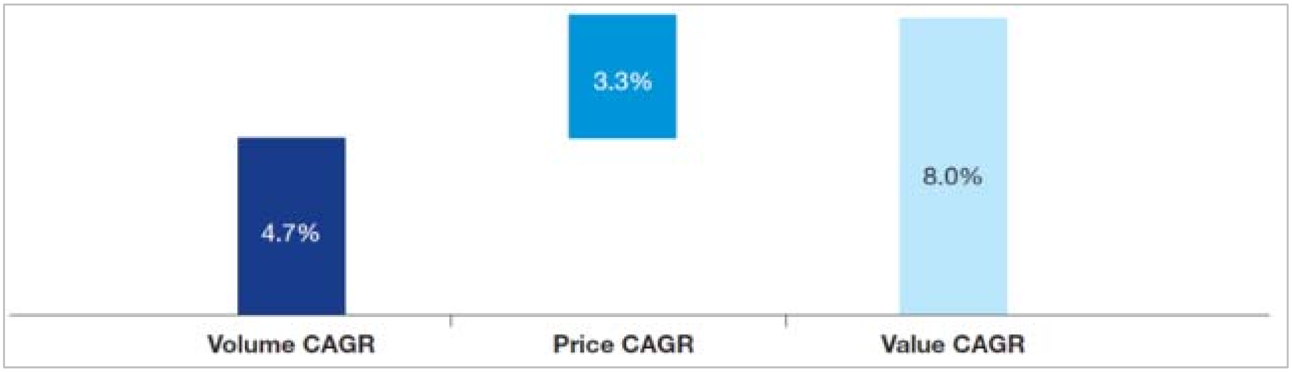
Company Name	Products	Childrenswear Exports Revenue* 2014	Production Capacity (Million Pieces Per Year)	Exports Markets	Key Brands/ Buyers
Kitex Garments	Infant and Kidswear - Body Suit, Sleepwear, Rompers, Burps, Bibs, Training Pants,	87	165	U.S., Europe	Kidswear: TCP, Gerber, Babies/Toys R Us, Carter's, Mothercare, Jockey
S.P.Apparels Ltd.	Infant and Kidswear- Rompers, T-Shirts, Shorts, Skirts, Frocks	62	50	Europe	George, TESCO, Crystal Martin, Mother Care, Dunnes Stores, Primark etc.
Jay Mills	Infants - Bodysuits, Sleepsuits, Caps, Mittens and Booties, Blankets, Bibs, Hooded Towels, Washcloths, Fitted Sheets for Bassinets, Cradles, Cribs, Cots. Toddlers - T-Shirts, Thermal Nightwear, Long Johns (Pyjama Set)	52	15 (Infant Garments) 3 (Basic T-Shirts)	U.K., U.S., Brazil, France, Sweden	Kappahl Stores - Sweden, Dunnes Store - Ireland, Gerber Childrenswear Inc. - U.S. , Mothercare – U.K.
KPR Mills	Menswear, Womenswear and Kidswear across the categories of Casual Wear, Sports Wear, Active Wear, Sleep Wear and Work Wear	50	63 Million Pieces Per Annum. 90, 000 Metres (Yarn) and 27,000 Metres (Fabric)	Europe, U.S.	Around 40 major brands in Europe (Major Market)
Eastman Exports	Infant and Kidswear - Rompers, P.J.s, T-Shirts, Shorts, Skirts. Bibs and other Baby Products manufactured according to order	NA	72 (T-Shirts) 36 (Underwears)	U.S., Europe, Canada, Mexico, Brazil, Hong Kong, Korea, Japan, South Africa, Australia etc.	E.U. - Diesel, Tommy Hilfiger, Guru, Esprit, Fila, Timberland, Mexx Quicksilver, Outrage, Base London, Nike, Calvin Klein, sOliver, Tom Tailor, Vetir. U.S. - Tommy Hilfiger, Carribean Joe, Abercrombie & Fitch, Kappa, Coogi
SCM Garments Pvt. Ltd.	Childrenswear - T-Shirts, Babysuits, Frocks, Boy's Shirts	35	2.1 (T-Shirts) 1.6 (Underwear)	U.S., Europe, Canada	Decathlon, TESCO, Carrefour, Lindex, C&A, Hanes Brand, Polo, Ralph Lauren, NEXT, Ciabi, Columbia Sportswear, Bhs, Walmart, Aldi Store, Guess Jeans and Spring Field

**Only childrenswear revenue, includes both knits and woven*
Source: Company Reports and Websites, Industry Sources

Growth Forecast for India's Childrenswear Exports: It is expected that childrenswear exports of India will grow at a CAGR of 7% from 2014 to 2019. This 7% growth of exports will be contributed by both growth in price (3% year-on-year) and growth of volume (4% year-on-year).

India's knit childrenswear exports value is expected to grow at a CAGR of 8% between 2014 and 2019: In accordance with the global trend of increasing preference towards knitwear, growth of India's exports of knit childrenswear will be higher than that of woven childrenswear. Between 2014 and 2019, India's knit childrenswear exports are expected to increase at a CAGR of 8%, while the corresponding value for woven childrenswear will be 6%. The CAGR for volume growth of knit childrenswear exports is projected to be 4.7% and the projected CAGR for per unit price growth is 3.3% (Exhibit 20). The higher growth of knits childrenswear exports indicate towards brighter growth opportunities for manufactures catering to knits segment in exports market. India's exports volume of knit childrenswear is expected to increase from an estimated volume of 560 million pieces in 2014 to 700 million pieces in 2019.

Exhibit 20: Growth Rate of Exports of Knit Childrenswear, CAGR (2014-19)



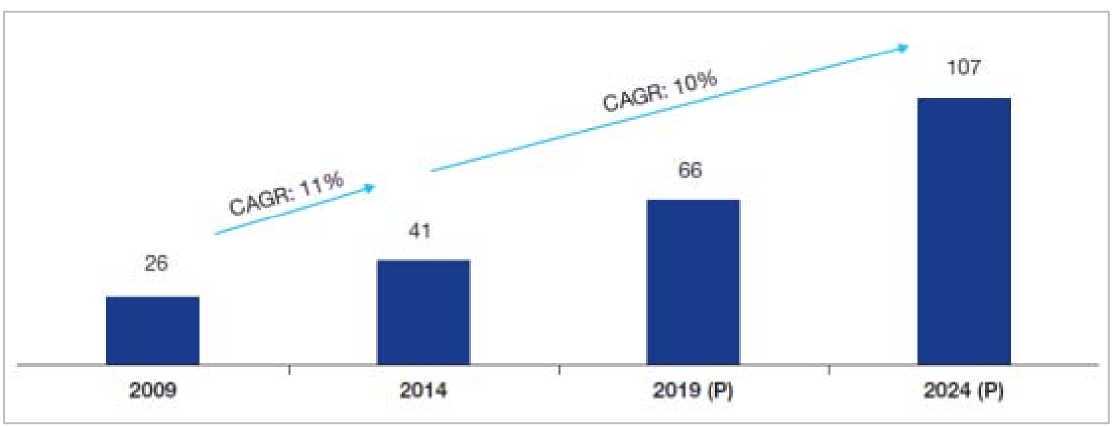
Source: Technopak Analysis

Tirupur is a leading knitwear and knit childrenswear production and exports hub of India: Apparel manufacturing of India is concentrated primarily in eight clusters, i.e., Tirupur, Ludhiana, Bangalore, Delhi/Noida/Gurgaon, Mumbai, Kolkata, Jaipur and Indore. Tirupur, Ludhiana and Kolkata are major hubs for knitwear while Bangalore, Delhi/Noida/Gurgaon, Mumbai, Jaipur and Indore are major centres for woven apparel. Tirupur is also a hub for chemical processing of textiles and apparel. Tirupur based manufacturers have managed to develop a strong reputation in the international market for their ability to supply quality knitwear at a competitive cost. Tamil Nadu accounts for 46% of installed spinning capacity of the country (as of April 2015) which is an added advantage for Tirupur based knitwear manufacturers.

Indian Apparel Market

The total apparel market size in India in 2014 was US$ 41 billion (₹2,48,250 crore) and the market is expected to grow at a CAGR of 10% to reach US$ 66 billion (₹3,94,450 crore) in 2019 and US$ 107 billion (₹6,40,800 crore) in 2024 (Exhibit 21).

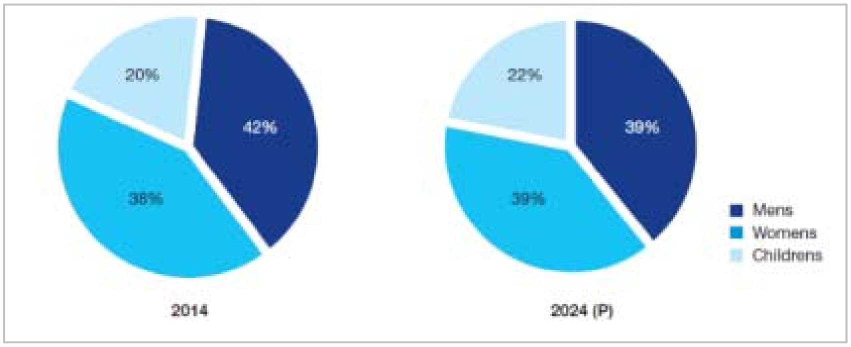
Exhibit 21: Indian Apparel Market Size and Growth (US$ billion)



Source: Technopak Analysis. Factors considered for forecast: growth in population, growth in penetration of various categories, price inflation of various categories

The menswear segment was the largest contributor to the total apparel market in India in 2014 with a share of 42% (Exhibit 22). Womenswear and childrenswear contributed 38% and 20% market share respectively to the total apparel market. By 2024, menswear (CAGR=9.2%, 2014 to 2024) is expected to contribute 39% share to the apparel market, while womenswear's (CAGR=10.4%, 2014 to 2024) contribution is expected to be at par with men's contribution of 39%. Childrenswear (CAGR=10.7%, 2014 to 2024) share of the apparel market is expected to be 22% in 2024. Womenswear and Childrenswear are fast growing segments owing to increase in brand penetration. In 2014, 51.7% contribution to the total childrenswear market came from boys segment and 48.3% from girls segment. As of now, the childrenswear market is dominated by local brands and unorganized players.

Exhibit 22: Market Share of Apparel Segments



Source: Technopak Analysis

Market Growth Drivers

Increasing Income: Rising per capita income in India has a positive impact on the total apparel market. International Monetary Fund estimates that per capital income of India is expected to increase at a CAGR of 8.1% between 2015 and 2020.

Rising Middle Class: The increasing aspirations of the middle class (earning between ₹0.2 million to ₹1 million per year) makes them spend more of their disposable incomes on lifestyle and apparel products. In 2005 India's middle class population was 85 million, while in 2015 it is expected to be 267 million, and 547 million in 2025. The CAGR between 2005 and 2015 is thus expected to be ~12% and CAGR between 2015 and 2025 is expected to be ~7%. Higher education levels and increasing literacy levels, urbanization, increasing household incomes owing to increasing women participation in labor force are some of the key drivers of rising middle class population.

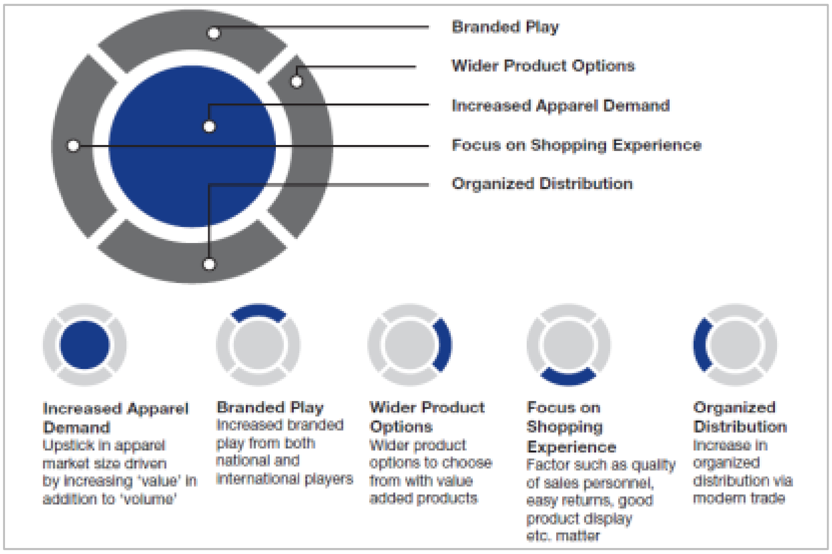
Favorable Demographic Dividend: India is a young country with ~34% of the population between 15 and 34 years of age. This young population having a median age of 27 years is aspirational, technologically updated and more aware. They have high disposable incomes and are willing to spend on apparel brands and products.

Preference for Branded Products and Increase in Corporatized Retail: The growing demand for better quality products from reliable sources has provided an impetus to the growth of branded products in India's apparel market. This, along with the growing aspirations of Indian youth to associate themselves with leading national and international brands has increased the share of branded apparel market in the country. The past decade has seen an influx of international brands into the Indian market. These brands have leveraged the potential for branded apparel, across segments, categories and formats. The share of branded apparel market was 28% of the total market in 2014 (Exhibit 23). It is expected that the share of branded apparel will increase to 33% by 2019.

The Indian consumers are also increasingly preferring organized retail channels that provide better shopping experience. Consequently, the share of organized/corporatized retail in apparel category has increased from 14% in 2009 to 20% in 2014 and is expected to increase to 25% in 2019.

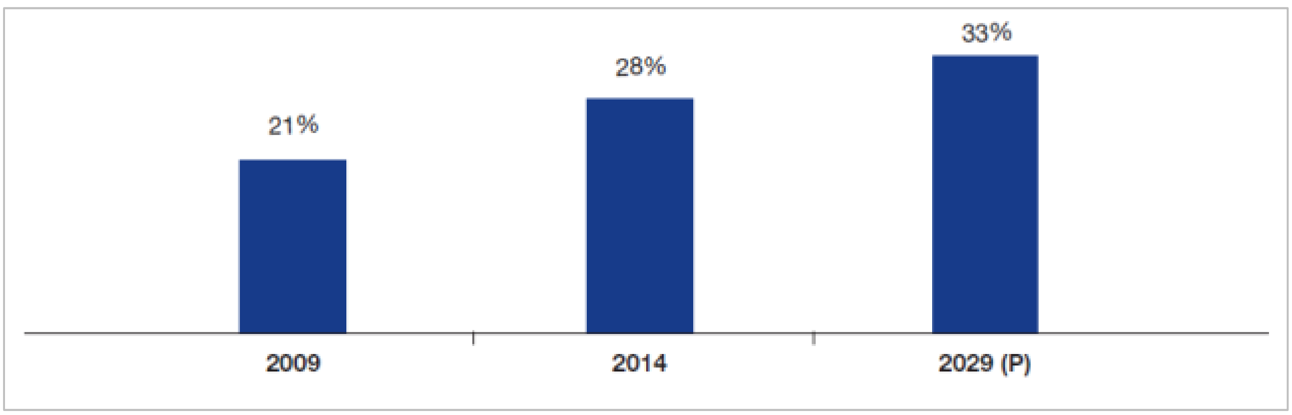
The increasing reach of apparel brands and organized retailers beyond the traditional urban centres of consumption to smaller cities is expected to provide an additional boost to corporatized retail. As a result of this shift to branded products and organized retail, the fashion-conscious consumer of today will witness a wider product range, better shopping experience, more national and international brands to choose from etc. (Exhibit 24).

Exhibit 23: Impact of Corporatized Retail



Source: Technopak Analysis

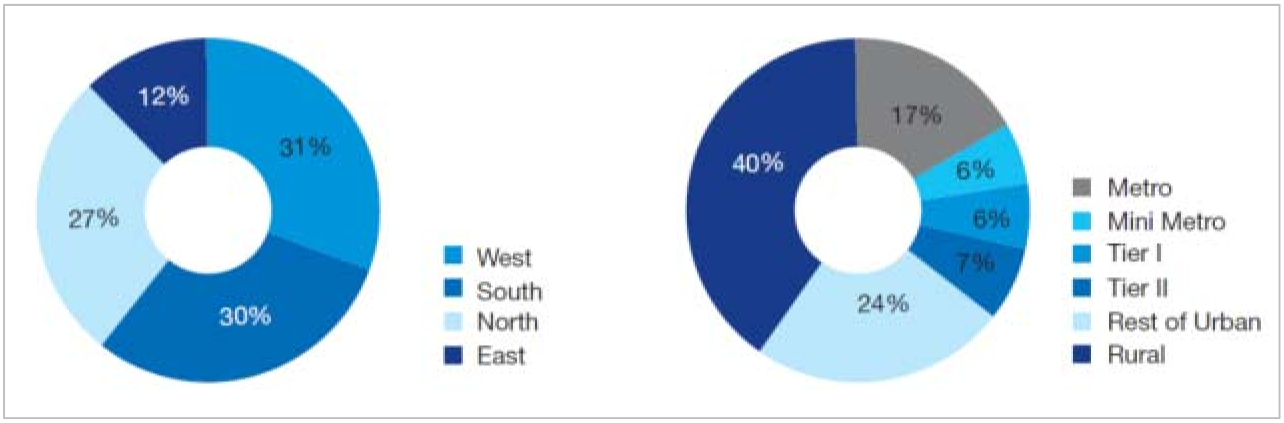
Exhibit 24: Share of Branded Apparel to Total Apparel



Source: Technopak Analysis

Region Wise Distribution of Apparel Market

Exhibit 25: Region-wise* Distribution of Organized Apparel Market, 2014 and City Type-wise Distribution of Apparel Market, 2014



**South includes Andhra Pradesh, Karnataka, Kerala, Pondicherry, Tamil Nadu; West includes Goa, Gujarat, Maharashtra, Madhya Pradesh; North includes Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand; East includes West Bengal, Odisha, Chhattisgarh, Jharkhand and North-East*
Source: Technopak Analysis

Key Challenges

Real Estate Costs: High real estate costs in India remain an impending issue. There is a lack of quality retail real estate in India. Malls and popular shopping destinations are limited in number even in metros, mini metros, and tier I and II cities, and cost to rent space is high. Many brands find it difficult to sustain presence over the medium and long-term as a result of this challenge. Real estate rents and space availability are characterized by fragmented ownership, irregular auctions, inappropriate store designs etc.

Shortage of Skilled Manpower: There is a huge scope of improvement in business performance of apparel retailers through deployment of advance management practices related to merchandising, supply chain management, customer relationship management, data analytics etc. However, the industry is facing issues of manpower with right skill sets. There is also a shortage of manpower that could operate in the front-end customer interaction and sales activities. The sector is still at a very nascent stage of corporatization. It is expected that with increasing corporatization and introduction of international players, the opportunities for both internal and external training for the employees will increase substantially. Courses and training modules tailored to specific job requirements is expected to help the industry address the issues of skilled manpower.

Complex Tax Regime: The apparel retail sector faces issues of a complex tax structure with taxes being levied by both state and central governments and the nature and amount of tax varying substantially between states. Multiplicity of applicable taxes by enforcement authorities leads to duplication of taxes at various points in the fashion retail value chain. The most commonly applied taxes include excise duty on domestically produced goods, service tax on any kind of service offered, VAT on goods undergoing interstate sales or purchase, entry tax for goods entering into defined local areas of particular states, octroi and local body tax by certain state governments. Though the Government of India has announced the enforcement of a uniform tax regime in the country through Goods and Services Tax (GST), a specific date for enforcement of GST is yet to be announced.

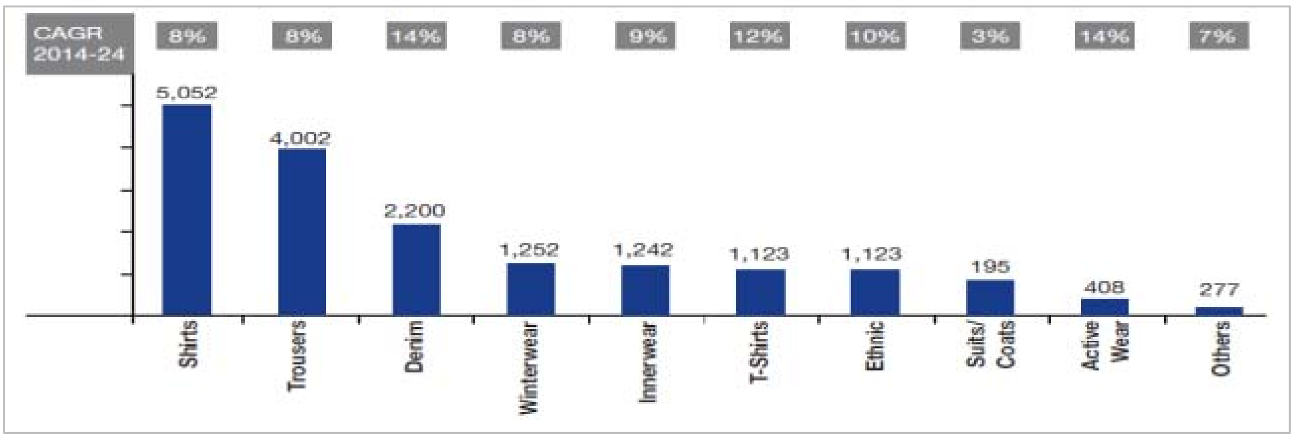
Menswear Market of India

Pegged at US$ 17.5 billon (₹1,05,050 crore) in 2014, menswear segment contributes the most to the apparel market with a share of 42%. Menswear market of India is expected to grow at CAGR of 9.2% to reach US$ 42.1 billion (₹2,52,550 crore) in 2024.

The market remains dominated by the traditional product categories like men's shirts and men's trousers which is 29% and 23% of the menswear market respectively, both growing at a CAGR of 8%, followed by denim which is 12% of the menswear market and is growing at CAGR of 14% (Exhibit 26).

The menswear wardrobe has expanded substantially to include activewear as a specific category which is growing at a CAGR of 14%. T-shirts is another high growth category growing at 12%. The current market size of the formal suits, jackets and blazers segment is 5% of the total apparel market and it is expected to grow at a CAGR of 3% over the next decade.

Exhibit 26: Category-wise Market Size and Growth in Menswear (US$ million)



Source: Technopak Analysis

The share of branded apparel in total menswear market stood at 38% in 2014. While categories like men's activewear have higher propensity towards brands, the market for brands has started demonstrating promising opportunities for hitherto under penetrated categories like men's ethnicwear and winterwear etc. (Exhibit 27).

Preference of Brands

Brand preference in Indian menswear market has been higher than that of womenswear and childrenswear owing to the long presence of various brands in the market and a higher skew of western clothing in menswear market. Along with the higher preference of brands in this segment, the Indian menswear consumer is increasingly factoring in parameters like quality, design and style consciousness, fit and size specification in his apparel purchase decision. Consequently, the demand for private labels and regional branded apparel that offer value for money spent has been increasing over the years. The menswear consumers are best represented by two brand-oriented clusters, namely image-oriented brand seekers and value-oriented brand seekers.

For image oriented brand seekers, who are mostly consumers of super premium and premium price segments, brand is a reflection of their social status and they tend to prefer high-end brands. Awareness of brands is also very high in this segment due to significant overseas travel and propensity for conspicuous consumption.

The consumers of economy and low price segments prefer branded products owing to the assurance of better quality and value of the money spent. Most of the consumers in these segments are value seekers.

Branded Men's Apparel market

Exhibit 27: Category-wise Share of Branded Apparel

Category	Share of Branded	Opportunity to Build New Brands
Shirts	45%-50%	◑
Trousers	40%-45%	◑
Denim	40%-45%	◕
Innerwear	35%-40%	◔
Winterwear	25%-30%	◕
T-shirts	25%-30%	◑
Ethnic	15%-20%	◕
Suits/Coats	35%-45%	◔
Activewear	70%-75%	◔

Source: Technopak Advisors Weakness ○ ◔ ◑ ◕ ● Strength

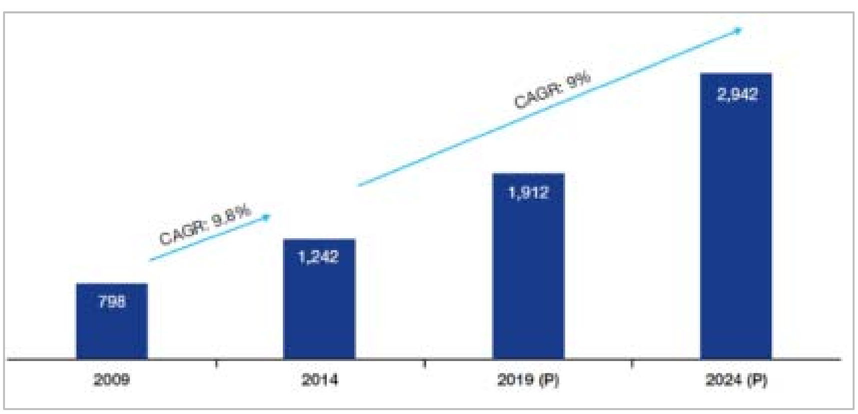
Advertisement Spending and Retail Presence of Key Brands: Most of the menswear brands spend 4% to 5% of their revenue on advertisements. The existing brands in menswear segment are present in all possible formats including EBOs, MBOs, LFSs and online format. While EBOs help brands to display the complete product offering, provide specific services related to the brand and communicate the brand value proposition better, MBOs help brands to enhance their reach and to target a higher number of consumer base.

Brands that have nation-wide presence generally have more than 20 distributors, most of the distributors cater to a single state while sometimes a single distributor handles more than one state. Brands in general appoint a team to work along with distributor and co-ordinate the information flow between company and distributor. A distributor normally caters to 50-60 MBOs and in general, does not keep competing brands in the same price category. Most of the brands cater franchisee owned EBOs through distributors and company owned EBOs directly through the brand.

Men's Innerwear Market

The men's innerwear market is pegged at US$ 1242 million (₹7,450 crore) and is expected to grow at a CAGR of 9% for the next decade (Exhibit 28). The men's innerwear market is marked by a blend of both domestic and international brands. The brands in menswear segment offer products of various sub-categories including vests, briefs or boxers, basic t-shirts, shorts, pyjamas, sleepwear and activewear.

Exhibit 28: Men's Innerwear Market (US$ million)



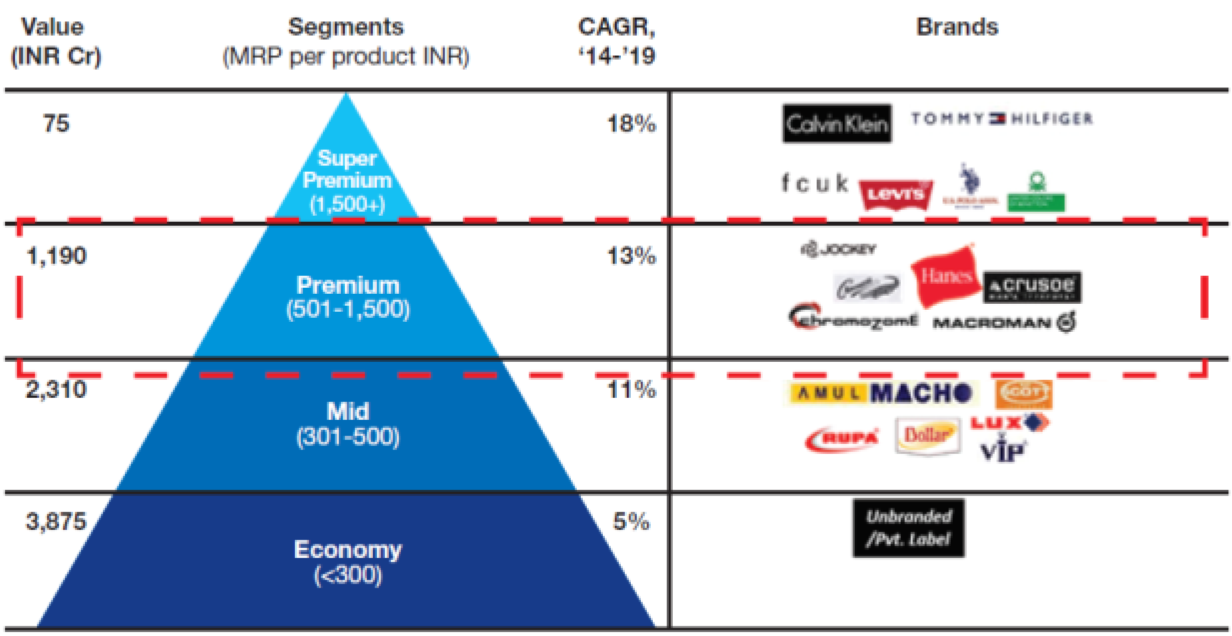
Source: Technopak Analysis

There is a trend for 'brandization' and 'premiumization' in the market and hence average selling prices are increasing over time. The menswear market is sub-divided into super premium, premium, medium, and economy segments on the basis of product pricing. The super-premium segment has the highest growth rate (CAGR of 18% between 2014 and 2019) followed by the premium segment (CAGR of 13% between 2014 and 2019). Some of the key features of men's innerwear segment are:

- No other apparel category finds substantial high branded adoption from the mass segment as men's innerwear segment. Brands are adopting smart pricing to capture volume penetration in mini metros and Tier 1 cities.

- The definition of core innerwear has expanded to include a wide range of complementing products defined as comfortwear. The comfortwear sub-category is sought at smart pricing and there exists a large gap that is being tapped by core innerwear brands.

- Rapid lifestyle evolution with varied activities is supporting the wide range of complimentary products like basic T-shirts, shorts etc. that are now included in defining innerwear. Further, this added segment attracts a relatively higher average retail price compared to core innerwear.



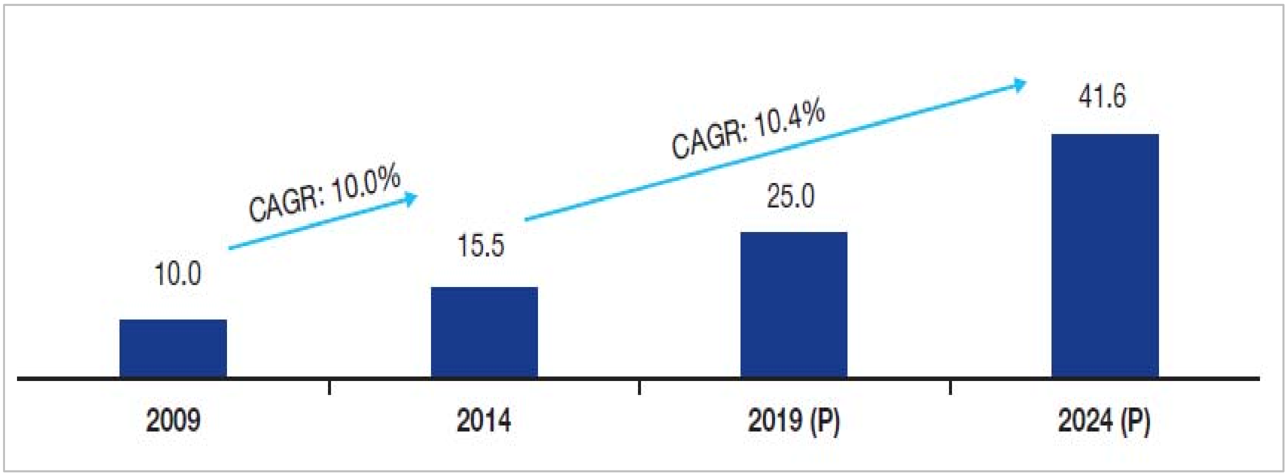
Womenswear Market

While womenswear has a majority share in the overall apparel market of the globe and all leading western markets, in India the share of womenswear is less than that of menswear. The share of womenswear stands at 51% in the United States, 54% in Europe whereas it is only 38% in India.

However with changing social structures, evolving economic landscape and higher income levels of women there is a substantial shift in the tastes and preferences of Indian women and the womenswear segment is taking confident strides towards a higher share and a more sophisticated market. The Indian womenswear market is predominantly unorganized but due to the pervasion of world fashion and organized brands and retailers, the womenswear market is slowly moving towards a more organized structure.

The US$ 15.5 billion (₹93,080 crore) womenswear market of India is expected to grow at a CAGR of 10.4% to reach US$ 41.6 billion (₹2,49,710 crore) in 2024 (Exhibit 29). It is expected that the share of womenswear will equalize with the share of menswear in 2024.

Exhibit 29: Womenswear Market in India (US$ billion)



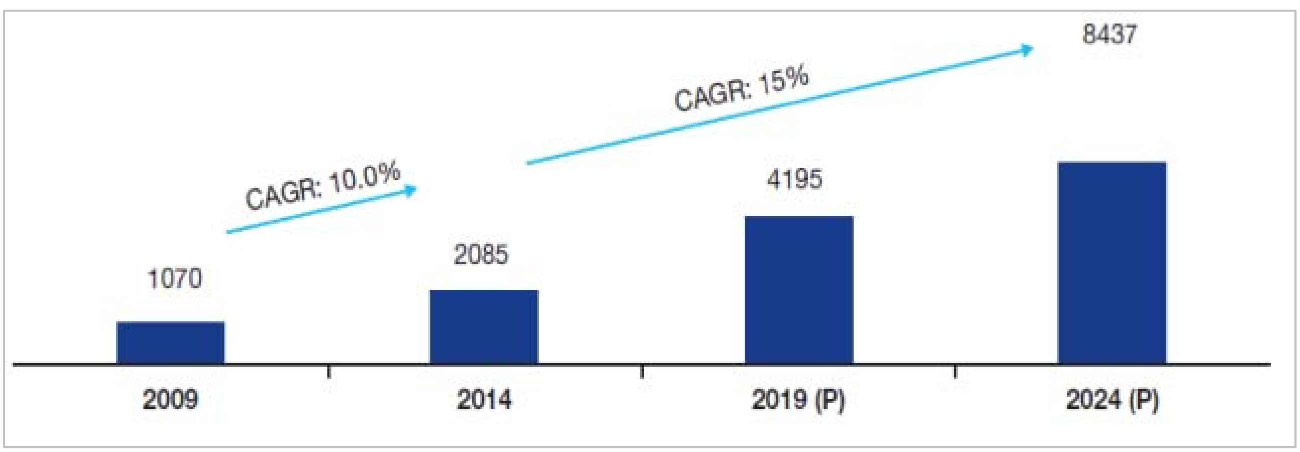
Source: Technopak Analysis

Women's Innerwear Market

Emerging as one of the fastest growing categories, women's innerwear is poised to grow at a CAGR of 15% to reach at US$ 8,437 million (₹50,610 crore) in 2024 from US$ 2,085 million (₹12,510 crore) in 2014 (Exhibit 30). Women's innerwear purchasing decisions are more need-based in comparison to men with availability of much more variations, permutations and combinations.

With the acceptance of e-tailing in India, a lot of the major innerwear brands which are not available in physical stores are now being purchased through the web. Brand aggregating websites are adding more allure to the prospect of online shopping due to the discounts and deals offered.

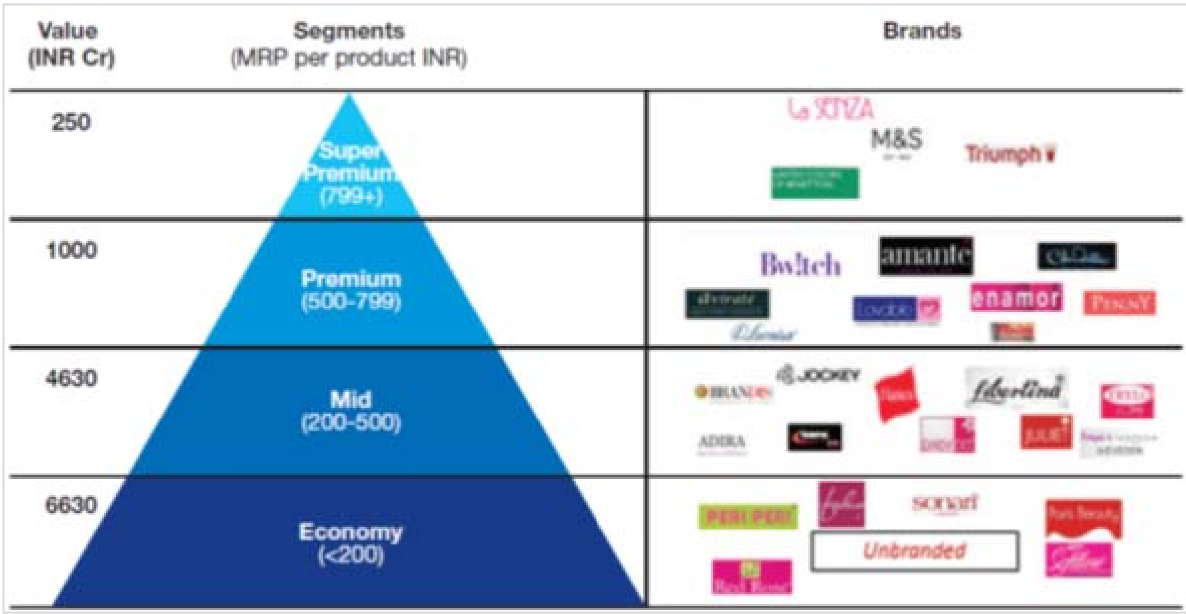
Exhibit 30: Women's Innerwear Market in India (US$ million)



Source: Technopak Analysis

The women's innerwear segment is also predominantly unorganized (~ 80% as compared to ~70% in for men's) and dominated by unbranded products. However, the market is witnessing increasing presence of more national and international brands tilting the market dynamics in favour of branded and organized players. Exhibit 31 provides price positioning of key innerwear brands.

Exhibit 31: Price Positioning of Women's Innerwear Brands



Source: Technopak Report

Opportunities and Challenges for Apparel Manufacturers/Brands

Opportunities in Exports Market

- Manufacturing of value added cotton products and strengthening chemical processing industry
- Losing competitiveness of China due to increasing input factor costs
- Establishing India as a design led sourcing hub with superior ability to meet compliance norms
- Leveraging integrated supply chain of manufacturers to provide end-to-end solution to brands/importers through assistance in product development, designing and supply chain management

Opportunities in Domestic Market

- Growing apparel market with revival of economic condition of the country
- Increasing preference of branded products in both menswear and womenswear segment
- Improving consumer awareness about fashion statement and fashion brands
- Improving acceptance of modern retail channels and online retailing which help brands to reach consumer with ease
- Under penetrated branded market in smaller cities and rural areas

Challenges in Exports market

- Cost competitiveness of low wage manufacturing countries like Bangladesh, Vietnam and East African countries
- Dependencies on economic situation of major exports markets, especially in Europe where some countries have been facing economic crises
- Increasingly stringent quality and safety norms for childrenswear apparel
- Preferential access to least developed countries through GSP scheme

Challenges in Domestic market

- Strong competition from private labels and unbranded products in the economy segment of the market
- Entrance of many national and international brands trying to cater to the same segment of consumers

OUR BUSINESS

Overview

We are a leading manufacturer and exporter of knitted garments for infants and children in India. These are manufactured at our integrated facilities that allow us to provide end-to-end garment manufacturing services from greige fabric to finished products. We also manufacture and retail menswear garments in India under the brand 'Crocodile'. We believe our core competency lies in our clear understanding of the specifications of knitted garments in the infants and children category, the buying preferences of our customers and our ability to deliver products of a consistent high quality that meet the product specifications and stringent compliance requirements of our international customers. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth.

Our Company is led by our Promoters, who are first generation entrepreneurs and have over the years grown the business of the Company to become the second largest exporter among manufacturers of knitted garments for infants and children in India in terms of revenue in the Fiscal Year 2014. *(Source: Technopak Report)* Our export business for knitted garments for infants and children constitutes a significant portion of our business. 86.13%, 84.62% and 79.84% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively, were generated by our business of export of knitted garments products for infants and children (including duty drawback and other export incentives). Our product range for knitted garments for infants and children includes body suits, sleep suits, tops and bottoms. For Fiscal Year 2016, we exported approximately 35.98 million pieces of knitted garments for infants and children directly to our international customers, including TESCO and Primark. We also manufacture and retail menswear garments in India under the brand 'Crocodile' pursuant to a sub-license granted to us by one of our Subsidiaries, CPPL. For more information in relation to the sub-license, see the section "*History and Certain Corporate Matters – Summary of Certain Agreements – Other Material Agreements*" on page 153. We are considering the launch of products in the women's essential wear category under the 'Natalia' brand owned by our Company, subject to compliance with applicable law. For this purpose, our designers have developed a part of the product range; basic samples have been manufactured and the process for identifying packaging material for such products is currently in progress.

Our facilities are equipped to provide various products within the garments manufacturing production chain to our customers. Our business consists of two main divisions – (i) garments division (for manufacture and export of knitted garments for infants and children); and (ii) retail division (for manufacture, distribution and marketing of products in India under the brand name 'Crocodile').

We have two Subsidiaries, Crocodile Products Private Limited ("**CPPL**") and S.P. Apparels (UK) (P) Limited ("**SPUK**"). CPPL, which is a joint venture between our Company and Crocodile International Pte. Ltd. ("**CIPL**"), is engaged in the business of, *inter alia*, establishing and managing units to manufacture, trade, deal, import and export garments and has entered into a technology license agreement with CIPL for the exclusive manufacture, distribution and marketing of menswear products under the trademark 'Crocodile' in India. 6.43%, 3.39% and 3.35% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively were generated by the Company's retail business. We sell the 'Crocodile' branded products through a sales and distribution network that includes 40 exclusive brand outlets, of which 37 are company owned operated stores and three are franchise stores, and third-party e-commerce platforms. We also have agreements with distributors in relation to the sale, marketing and distribution of 'Crocodile' products. SPUK was incorporated in 2014 to explore possible marketing opportunities and engage in trading activities with new customers in the United Kingdom, Ireland and other European countries. SPUK has a design studio and has hired experienced designer consultants that provide design support services to our customers. SPUK also provides after sales service to our customers for any technical and other grievance.

Our 21 operating manufacturing facilities and the manufacturing facility at Netaji Apparel Park (NAP) which we are in the process of establishing, are located in and around the region of Avinashi, Tamil Nadu, India and within a radius of approximately 125 kilometres of our Registered Office. The wide range of infrastructure and machinery at our facilities for production of yarn, dyeing of fabric, sewing, cutting, printing, embroidery and finishing of garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner. Our design, testing, fitment and quality inspection laboratory helps us in delivering products of high quality that comply with the stringent standards set by our customers. The proximity of our manufacturing facilities and our integrated set-up allows us to optimize our operations and service for our customers in a timely manner.

Our strong focus on quality has helped us become the preferred vendor of choice for certain of our large international customers. In recognition of our high quality of manufacturing operations, we have been awarded the 'Gold Supplier Award' by TESCO in 2013, 'Values Award' by TESCO in 2011-12 and 'Trading Fairly Award' for setting benchmarks in Tirupur for compliance with labor standards, investing in workers and supporting community projects by TESCO in 2009.

In November 2014, we received safety awards from the Directorate of Industrial Safety and Health, Government of Tamil Nadu for the least number of accidents during the calendar years 2011 and 2010.

On a restated consolidated basis, we generated total revenues of ₹5,377.54 million, ₹4,792.33 million and ₹4,520.73 million for the Fiscal Years 2016, 2015 and 2014, respectively. We recorded a net profit of ₹347.14 million, ₹100.48 million and ₹66.67 million for the Fiscal Years 2016, 2015 and 2014, respectively.

Our Competitive Strengths

Our operating history in the garments manufacturing business has helped us gain significant expertise and makes us well-positioned to maintain our status as one of the largest exporters among manufacturers of knitted garments for infants and children. We believe that the following strengths enable us to compete successfully in our market:

We have a key customer base with reputed international brands

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our commitment to quality and customer service practices have been strong contributing factors to our robust customer relations. Over the years, we have steadily developed a robust base of international retailers of garments for infants and children, including with reputed established brands with global operations such as TESCO and Primark. Even though we do not have any long-term supply agreements with them, we have continually received repeat business from many of our international customers and are proud to be a preferred vendor for certain of our customers. This indicates their level of confidence in our ability to understand latest trends and ensure timely delivery of quality products.

We are one of the leading manufacturers for export of knitted garments for infants and children in India

Over the years, we have developed the expertise to concurrently manage multiple large orders as well as developed a diversified product range which has helped our Company to grow into one of the leading manufacturers of knitted garments for infants and children in India.

We currently operate 21 manufacturing facilities in and around the region of Avinashi, Tamil Nadu, India with advanced plant and machinery. We also have integrated facilities for embellishments such as designing, embroidery, printing, sewing and cutting of the garments. Our manufacturing operations are supported by a wide range of infrastructure facilities. As of March 31, 2016, we owned 4,874 sewing machines, eight cutting machines, 79 embroidery machines, 17 printing machines, 16,896 spindles and 22 dyeing machines.

We produced approximately 39.10 million, 31.06 million and 31.95 million pieces of knitted garments for infants and children in the Fiscal Years 2016, 2015 and 2014, respectively. With our current and expected economies of scale, we consider ourselves to be one of the few integrated garment manufacturing companies of knitted garments for infants and children in India.

Our ability to set-up units that are integrated with our operations allows us to scale-up our operations

In addition to manufacturing of garments, our key strength is our ability to set-up and provide all necessary facilities at various units and efficiently manage such units from a centralized location that has helped us to efficiently scale-up our operations in a short period of time. We have the experience of setting-up units that are integrated with our manufacturing and production operations and at present have 21 such manufacturing facilities. Such experience of setting-up these units could enable us to set-up new facilities at any viable location in India that is in close proximity to the sources of raw materials and labor.

We benefit from our specialization in the manufacture of garments for infants and children

We specialize in the manufacture and export of knitted garments for infants and children. This is a highly challenging segment in the knitted garments industry as it is labor-intensive and it is imperative to follow stringent safety procedures and maintain high quality standards. Further, this segment requires more variety and small batch size orders to cater to the growth need of infants and children which increases the complexity of manufacturing in comparison to other knitted garments. There are severe restrictions and stringent requirements on the use of chemicals, dyes and other additives in the manufacture of knitted garments for infants and children. Infants and children could be susceptible to infection if the quality of chemicals and dyes used in such garments does not comply with the prescribed restrictions. Therefore, our customers require us to maintain extremely rigorous and strict checks on compliance with all necessary quality and safety standards. We exercise stringent quality control checks consisting of inspection and testing of cotton, yarn, fabric, trims and packing materials and of each piece of garment for metal bits/needle tips/sharp edges/broken needles prior to packing. Our experience in the garments manufacturing industry and proven ability to manufacture knitted garments for infants and children adhering to such quality standards enables us to capitalize on growth opportunities in the garments manufacturing industry of knitted garments for infants and children both in Indian and other international markets.

We have strong in-house design, testing, fitment and quality inspection facilities

Our core competency lies in our understanding of our customers buying preferences and behaviour along with the stringent quality and compliance requirements of this industry. This is supplemented by our dedicated design and merchandising team located at our Corporate Office in India and design consultants hired by our Subsidiary, SPUK. We have a team of professionals, including designers, who are supported by the latest technology for developing products and styles which are based on prevalent fashion trends. We have the necessary facilities and expertise to create and implement design specifications and requirements of our customers.

Design development, sampling and fitment form an integral part of our operations and are considered as an effective tool for converting customer’s need into a finished product. Further, we have set-up testing laboratories that are accredited by the National Accreditation Board for Testing and Calibration Authorities, Department of Science and Technology, India. Over the last few years, in keeping with the trend of increasing process outsourcing, our customers rely on our laboratories for testing fabrics and finished products before they are sold at their stores. We have in-house facilities that help us and our customers save time and costs and provide us with a competitive advantage over other manufacturers.

We have an experienced management team led by our Promoters and key management personnel

Our management team is well-qualified and experienced in the garments industry and has played a key role in the sustained growth of our operations. Our team led by the Chairman and Managing Director Mr. P. Sundararajan has successfully managed the various phases of expansion, growth and consolidation of our business and operations and has 31 years of experience in the garments industry. The Chief Executive Officer of the garments division of our Company, Mrs. P.V. Jeeva, has been associated with our Company since July 1, 1986 and has approximately 30 years of experience in the textile and apparel industry. Our management is also supported by an experienced and technically qualified execution team. Mr. V. Shankar Raam, the Chief Operating Officer of the retail division (EBO) of our Company, has approximately 21 years of experience in the fields of finance, accounts and marketing and Mr. V. Harihara Subramaniam, who is Business Head (Wholesale) of the retail division of our Company, has approximately 13 years of experience in the field of marketing.

Our Strategy

Our business strategy is as set forth below.

Enhancing existing capacities and improving operational efficiencies

We have continuously invested in infrastructure at our manufacturing facilities and over the years have been able to maintain a high level of quality. We have set aside ₹701.60 million from the proceeds of this Offer towards enhancing our capacities in various production processes and increasing the level of backward integration. For more information on the proposed enhancements to our capacities, see the section "*Objects of the Offer – Details of the Objects of the Fresh Issue – Expansion and modernization of our manufacturing facility at Valapady, Salem, Tamil Nadu*" on page 81. Such enhanced capacity and backward integration should lead to a reduction of cost and wastage and create savings on account of packing and transportation of yarn for intermediate transfer to a knitting facility. Further, with the addition of the knitting facility, we will be able to achieve complete backward integration of our operations. This will help us to increase quality control in the production process, achieve better production planning for deliveries and higher level of customization of capacities leading to increased operational efficiencies.

Further, we propose to set-up a new manufacturing facility at Netaji Apparel Park (NAP), which will be funded out of our internal accruals. The expected economies accruing from the backward integration of our operations will be utilized towards the manufacturing operations of our Company. Accordingly, the requirement of any incremental working capital will arise only as our operations expand. Additionally, by repaying a considerable amount of outstanding term loan facilities from the Net Proceeds, we will reduce our debt. Consequently, the internal accruals of our Company will increase to that extent and we will utilize this amount for our working capital requirements in relation to the expansion and modernization of our existing and proposed manufacturing facilities.

Deepening our product penetration with existing customers and increasing our customer base

As a global trend, several top brands and retailers are increasingly emphasizing on in-house product development and designing by manufacturing companies. Our in-house testing facilities, product development and designing team along with the stringent quality checks differentiates us from our competitors. Our accredited testing laboratories, along with a professional design team has led to some of our customers outsourcing their testing, inspection and design functions to us. Furthermore, our Subsidiary SPUK has also started conducting fitment tests for certain of our customers on their behalf. These value added services not only help us become a preferred vendor for certain of our customers, but could also help us in increasing revenues.

We intend to continue developing and strengthening our existing relationship with our customers for knitted garments for infants and children. We are focusing on deepening our relationship with existing customers and increasing our customer base by increasing the range of products we manufacture and supply to them. We intend to diversify and expand our customer base globally.

Strengthening our Retail presence

Growing aspiration levels of people in Tier II, III and IV cities in India along with rising brand awareness and higher disposable income makes these smaller urban areas as focal points for our expansion. We intend to capitalize on this opportunity to grow our menswear products under the 'Crocodile' brand. Our first phase of expansion will be through company owned and operated stores that would demonstrate the demand of the locations where we plan to increase our presence. We also plan to enhance the presence and sale of the 'Crocodile' products in these areas through exclusive brand outlets and multi-brand outlets. Currently, most of our company owned and operated stores, exclusive brand outlets and multi-brand outlets are situated in Tamil Nadu, Andhra Pradesh and Karnataka. Pursuant to our growth strategy and to further increase our presence, we are proposing to expand in 18 states in India through setting-up of company owned and operated stores.

We are considering the launch of products in the women's essential wear category under the 'Natalia' brand owned by our Company, subject to compliance with applicable law. For this purpose, our designers have developed a part of the product range, basic samples have been manufactured and the process for identifying packaging material for such products is currently in progress. Based on our interaction with customers, as well as on industry reports, we believe there are opportunities for growth in this category and propose to leverage our manufacturing capabilities and scale of operations to take advantage of such opportunities.

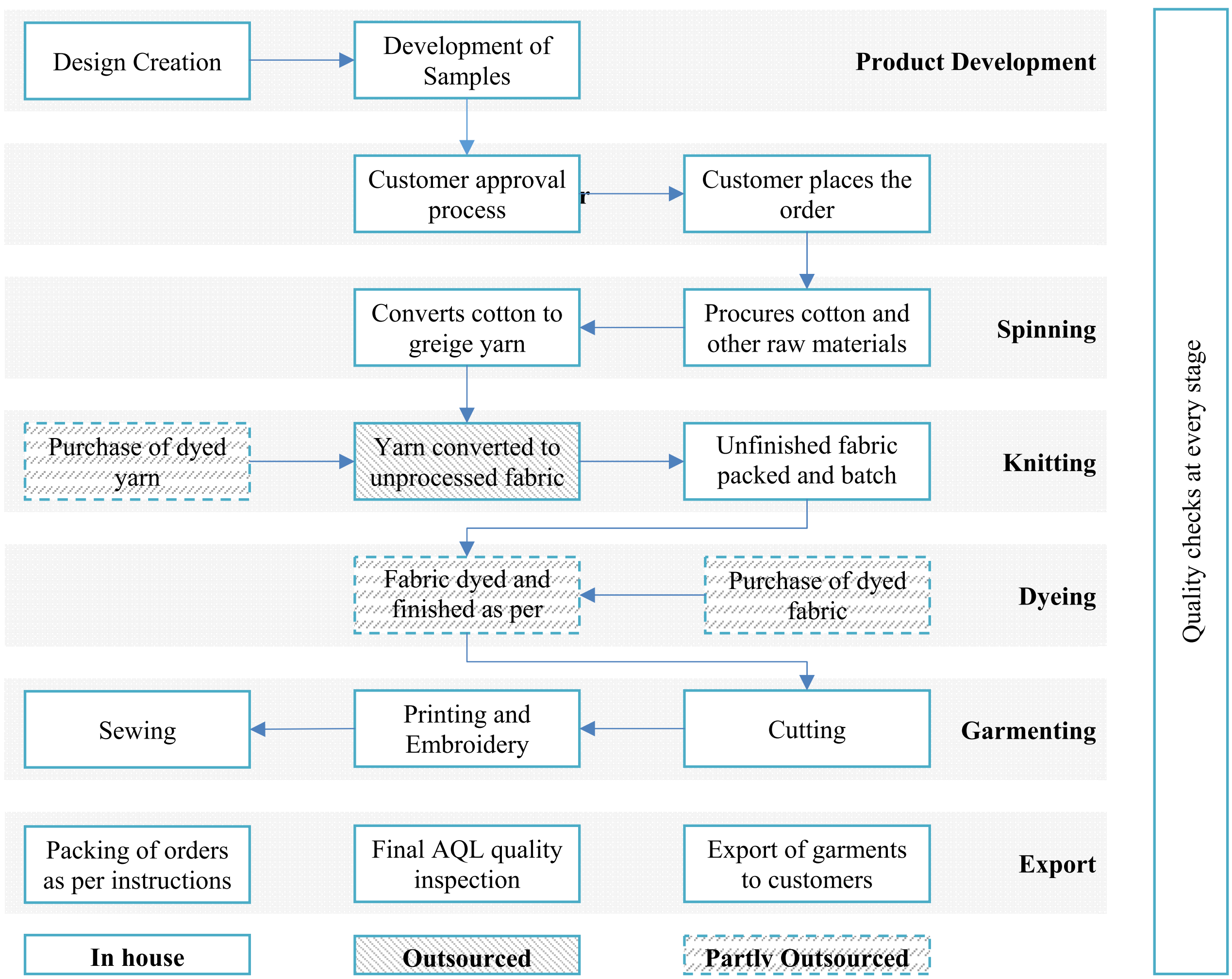
Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in its products and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our manufacturing facilities with the latest and specialized infrastructure and modern technology. We have installed the Eton conveyor system that automates the sewing assembly line and control workflows through productivity measurement. We also employ advanced semi-automated storage and retrieval system (ASRS) for efficient warehouse/inventory management. We have installed the Orgatex software system that automates the processes related to dyeing. We want to continue to work towards the upgradation and modernization of our infrastructure and technology. We intend to set-up a warehouse for our retail operations to support the expanded distribution network.

Our Operations - Garments Division

Products and Production Process

Our garments division undertakes the activity of manufacturing of knitted garments for infants and children including body suits, sleep suits, tops and bottoms, the bulk of which we export to global customers. The existing production process in relation to our knitted garments for infants and children is set forth below.



The production process for manufacture of knitted garments for infants and children begins with the design and development of pre-production samples by our Company. The placement and confirmation of an order by a customer follows an approval by the customer of existing pre-production samples.

Pursuant to placement of the order, cotton and other raw materials are procured and then the process of spinning i.e., conversion of cotton to greige yarn is commenced, following which the process of knitting yarn into fabric is undertaken and then the batched fabric is sent for dyeing. The dyed yarn and dyed fabric required for the above process is purchased by us. The process of spinning and dyeing of fabric is partially outsourced by us to certain contract manufacturers/third parties and we completely outsource the process of knitting yarn into fabric. On receipt of the fabric and other raw materials, our quality assurance team conducts a pre-production inspection. Following the approval of the quality of materials, the garment is produced, which involves the following production elements: cutting, printing, embroidery, sewing, in-line quality control, ironing, packing and final inspection. Following production and packing, the goods are then exported. Each stage of production is monitored by our quality assurance team to ensure conformity with the requirements of our customers.

Plant and Machinery

We own specialized and modern textile and garments production plant and machinery which is comparable to plant and machinery used internationally in the textile and garments manufacturing industry. As of March 31, 2016, we owned 4,874 sewing machines, eight cutting machines, 79 embroidery machines, 17 printing machines, 16,896 spindles and 22 dyeing machines. Most of our machinery is imported from overseas in order to take advantage of the latest technology in the manufacturing process. Most of our plant and machinery is managed, maintained and operated internally, which reduces the costs of outsourcing maintenance. We also have annual maintenance contracts for certain machinery like embroidery, cutting, spreaders, plotters and Eton conveyor system to ensure the efficient and uninterrupted operations of our machines. For details of key machinery required by our Company that we propose to purchase by utilizing the Net Proceeds, see the section "*Objects of the Offer – Details of the Objects of the Fresh Issue – Expansion and modernization of our manufacturing facility at Valapady, Salem, Tamil Nadu*" on page 81.

Raw Materials

Cotton is the primary raw material that we use in producing yarn. We also purchase additional specialized yarn, yarn and fabric for our knitted garments business. There are several textile manufacturers based in Tirupur who supply specialized yarn, yarn and fabric hence we are not dependent on any particular supplier for our raw material requirements. While cotton prices are largely driven by market forces, we have significant expertise in sourcing due to our historical presence in the cotton yarn business.

We typically identify our annual requirements for all our raw material as well as related materials like accessories, trims and packing materials at the beginning of the year. We then proceed to assess and identify relevant suppliers for our requirements from our existing database of vendors with whom we have previously worked and approved. We routinely also evaluate new suppliers who are identified based on recommendations provided by our customers or from advertisements and trade exhibitions.

We identify and evaluate suppliers who meet our requirements based on criteria such as capacity, quality and commercial payment terms. We typically shortlist such number of suppliers so as to enable us to procure one and a half times of our requirements in each item. During our evaluation process, all terms and conditions such as the time involved in the supply of raw materials, quality standards and the terms and conditions of payment are agreed between our Company and the suppliers. We also periodically review the quality of material supplied and the terms of our relationship with the suppliers that have been added to our database of vendors.

Our Company does not depend on a selected number of suppliers. Our Company engages with multiple and different suppliers and vendors in relation to its business. Further, except for S.P. Superfine Cotton Mills Private Limited from which our Company procures yarn, none of the suppliers of our Company are related in any manner to the Promoters, Directors or the Subsidiaries of our Company.

Utilities

Each of our manufacturing facility has a sanctioned load capacity from the Tamil Nadu Generation and Distribution Corporation Limited. We have also set-up captive power generating plants in certain of our manufacturing facilities that are registered with the Department of Electrical Inspector and Electricity Tax, Government of Tamil Nadu. As standby arrangement for power, we use diesel operated generator sets at nine facilities which are registered under the Indian Electricity Rules, 1956. To meet our washing and sanitary requirements, we consume water supplied to us by the municipal corporation or available through borewells. We have set-up an in-house effluent treatment plant for recycling water by treating the waste water that is discharged during washing activity and removing the impurities that are added during the washing activity. Four of our facilities have the necessary authorization for transport and storage of hazardous wastes to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal.

Facilities

Our 21 operating manufacturing facilities are located at various locations in the state of Tamil Nadu at Avinashi, Cheyur, Gobichettipalayam, Koduvai, Neelambur, Palangarai, Palladam, Perundurai, Puliyampatti, Valapady, Samichettipalayam, Sathyamangalam, Sulthanpet, Thekkalur, Vellitirupur, Mylampadi and Kavindapadi. We are in the process of establishing an additional manufacturing facility at Netaji Apparel Park.

The location of our facilities in India gives us significant savings in production, labor and transportation costs and helps us to utilize skilled labor and key technical personnel across all of our facilities. In addition, all of our operations are within a radius of approximately 125 kilometers of our Registered Office which is near Tirupur, and Tirupur is regarded as a leading hub in India for knitted garments for children and exports *(Source: Technopak Report)*. This provides us with convenient access to all raw materials, trims etc. in addition to machinery supplies and replacement parts. Further, our facilities are located in proximity of an international airport which is convenient for our customers.

For more information on our manufacturing facilities, see the section "*Our Business – Properties*" on page 132.

Customers

Our principal customers include leading international retailers (including large format stores) like TESCO and Primark. For the Fiscal Year 2016, the top-five contributors of export sales to the total revenue of the Company are set forth below:

S. No.	Name of the Contributor	Contribution to the total revenue for the Fiscal Year 2016 (in %)
1.	Tesco International Sourcing Limited	30.79
2.	ASDA Stores Limited	21.90
3.	Primark Stores Limited	13.02
4.	Mothercare UK Limited	7.39
5.	Dunnes Stores (Bangor) Limited	3.10

Further, we confirm that none of the above-mentioned entities are related to the Promoters or members of the Promoter Group.

All our major customers have global presence through their stores located around the world. Our focus has been on customers in Europe as retailers based there prefer suppliers that are able to offer end-to-end garments manufacturing services from the design to the manufacture of the garments. Our integrated set-up enables better price realizations. Going forward, we will continue to focus on existing customers in Europe as well as new customers globally.

We are the preferred vendor for knitted garments for infants and children for certain of our international customers. Our Company usually books orders for a period of three to six months in advance to ensure flexibility due to changing fashion preferences. Our international customers provide us with multiple repeat orders which are a strong indicator of their confidence in us.

Our focus is to diversify and expand our customer base globally. Further, we do not have any long-term contracts with our customers and our dealings with them are on a per transaction basis. For more information, see the section "*Risk Factors – Internal Risks – Risks Related to our Business – Export of knitted garments for infants and children constitutes a significant portion of our business for which we do not have long-term sales contracts*" on page 18.

Capacity

We currently operate 21 manufacturing facilities, which are located in or near the region of Avinashi, Tamil Nadu, India. As of March 31, 2016, we owned 4,874 sewing machines, eight cutting machines, 79 embroidery machines, 17 printing machines, 16,896 spindles and 22 dyeing machines. Manufacturing of garments is a labor-intensive process and we are highly dependent upon our employees. Every product which our Company manufactures has manual intervention throughout the production process and is dependent upon the skills and turnaround time of each employee. As of March 31, 2016, we had 9,147 full-time employees at our garments division.

Marketing and Business Development

We provide our services for the manufacture of readymade knitted garments for infants and children to customers primarily in the international market. We employ a very customer-driven approach to business development and service that is strongly oriented to the customer's specifications and satisfaction. Each customer is assigned a specific team that oversees merchandising, sampling, production, logistics, and development of the finished product, quality management and customer satisfaction. We have a dedicated sales team which handles business development and relationship management for our garments business. Our sales team visits customers periodically and deals directly with them or their representatives.

Our new customer additions are made mainly through referrals from our existing customers and direct enquiries. Generally, most global garments retailers and sourcing/third party agents maintain buying offices in India and directly solicit relationships with Indian garments manufacturers. We also identify potential global retailers suitable for our products and approach them for new business.

Our Subsidiary, SPUK explores possible marketing opportunities and engages in trading activities with new customers in the United Kingdom, Ireland and other European countries. SPUK also provides after sales service to our customers for any technical and other grievance.

Export Obligations and Benefits

The EPCG scheme in India facilitates import of capital goods at a zero customs duty. Pursuant to the EPCG scheme, we have an obligation to export an amount equal to six times the duty we save. We further benefit from several incentives provided to the textiles sector by the Government of India, which include Revised Restructured Technology Upgradation Fund Scheme, subsidized working capital finance, duty drawback, export performance certificate and merchandise exporter from India Scheme. For more information, see the section "*Regulations and Policies – Textile Sector Regulations and Policies*" on page 140.

Our Operations - Retail Division

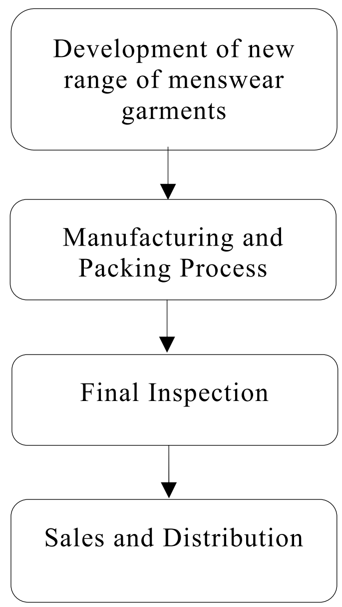
Our retail division undertakes manufacturing activities in relation to the 'Crocodile' brand of products.

Pursuant to the terms of the technology license agreement dated April 26, 1994, as amended, our Subsidiary, CPPL has been provided an exclusive license by CIPL (valid until July 31, 2021) to manufacture, distribute and market products in India under the 'Crocodile' brand for adult menswear limited to shirts, polo shirts, t-shirts, trousers, jeans, sweaters, jackets and adult men's innerwear limited to vests, briefs, boxer shorts in India. Under the above technology license agreement, CPPL is required to pay royalty to CIPL at the specified rate based on the total net sales of 'Crocodile' products by CPPL and/or its authorized sub-licensee for the entire period of the license.

Pursuant to an agreement dated March 31, 2015, CPPL has exclusively sub-licensed the right to manufacture, distribute and market products under the 'Crocodile' brand in India as mentioned above to our Company commencing from October 1, 2015 until July 31, 2021. Under such sub-license agreement, our Company is required to pay royalty to CPPL at the specified rate based on the total net sales of 'Crocodile' products by our Company.

Production Process

The existing business model in relation to the 'Crocodile' brand of products is set forth below.



Our retail division undertakes manufacturing activities in relation to the 'Crocodile' brand. Pursuant to the terms of the technology license agreement, as amended, our Subsidiary, CPPL has been provided a license by CIPL to manufacture products under the 'Crocodile' brand and trade in such products in India. Further, CPPL has exclusively sub-licensed the right to manufacture, distribute and market products under the 'Crocodile' brand in India to our Company commencing from October 1, 2015 until July 31, 2021 pursuant to an agreement dated March 31, 2015.

The production process for manufacture of menswear garments under the 'Crocodile' brand begins with the development of a range of clothing by our retail division for the relevant season based on prevailing trends. Our management and sales teams finalize the price, quantity and budget for the range. The range is then manufactured by us by outsourcing certain aspects of the manufacturing on a job-work basis to contract manufacturers.

We maintain a close check and control over each stage of the production process and conduct quality checks at every stage until the finished products have been received at our Company's warehouse. Final quality inspection and packing is conducted at our warehouse before the products are sent for distribution to various company owned and operated stores, franchisee owned and operated stores, exclusive brand outlets, multiple brand outlets, large format stores and other channels. The products are exclusively manufactured by the contract manufacturers for our Company and they are not permitted to sell these products.

Products – 'Crocodile' Brand

We manufacture a broad range of menswear garments under the brand 'Crocodile' consisting of shirts, polo shirts, t-shirts, trousers, jeans, sweaters, jackets and men's innerwear consisting of vests, briefs, boxer shorts and socks.

Retail Stores, Distribution Network and Customers

6.43%, 3.39% and 3.35% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively were generated by the Company's retail business. We sell the 'Crocodile' branded products through a sales and distribution network that includes 40 exclusive brand outlets, of which 37 are company owned operated stores and three are franchise stores, and third party e-commerce platforms. We also have agreements with distributors in relation to the sale, marketing and distribution of 'Crocodile' products.

We execute agreements to lease the space for operating our stores and with franchisees. The customers for our retail operations in relation to the 'Crocodile' brand also include large format stores and multi brand outlets.

Marketing and Business Development

We have a sales and distribution network to sell the 'Crocodile' branded products in brick and mortar stores and third party e-commerce platforms. We plan to enhance the presence and sale of the 'Crocodile' products through new company owned and operated stores and franchise stores, exclusive brand outlets and multi-brand outlets.

We provide all marketing and branding material to all our business partners including to the franchisees and advertise through various media for 'Crocodile' products.

Personnel

We are focused on the recruitment, training and retention of our employees. As of March 31, 2016, we had 9,147 full-time employees at our garments division and 37 full-time employees at our retail division.

We provide free transportation facilities, accommodation and meals at subsidized rates to most of our employees. We also focus extensively on our employees' training and skills development. We emphasize on training our employees in occupational health and safety procedures as an integral part of our operations. We have policies in relation to fire safety and health of our employees, the hours of work to be put in by the employees, non-employment of child labor at our facilities, handling of grievances, abuse and harassment of employees and practice of equal opportunities for employees.

Our Company engages contract labor at its manufacturing facilities in accordance with its requirements. In Fiscal Year 2016, we had engaged the following number of contract labor at our manufacturing facilities:

S. No.	Manufacturing Facility	Number of Contract Laborers
1.	39-A, Extension Street, Kaikattipudur, Avinashi and 245/1 and 246/2B, Extension Street, Avinashi	67
2.	No1/477-A, Avinashi Main Road, Neelambur, Coimbatore	37
3.	4/1, Extension Street, S.F. Nos.229/1 and 230/3, Avinashi	48
4.	No.5/407-6, N.H.-47 Main Road, Palangarai Village, Avinashi	20
5.	S.F.Nos.647/1C and 647/2, and No.378-D, Samichettypalayam, Gudalur Village, Gudalur Panchayath, Coimbatore Taluk, Coimbatore District	5
6.	Plot Nos.C-30,31,32, SIPCOT Industrial Growth Centre, Perundurai, Erode District	6
7.	S.F.No. 565/1 and 565/2, Kovai Main Road, Thekkalur	44
8.	F.No. 271/1, Muthandipalayam Pirivu, Chettipalayam Road, Karadivavi Post Office, Palladam Taluk	5
9.	SF.No.694/3,4 (A, B and C Block) Varapatti, Sulthanpet Main Road, Sulthanpet Post, Sulur taluk, Coimbatore District	9
10.	No.93/2, (Old No.21), Malaiyadipudur Village, Sathyamangalam Taluk	5
11.	Athani Road, Near Government Hospital, M.Kumarapalayam, Sathyamangalam	5
12.	Dharapuram Road, Modachur, Gobichettipalayam, Erode District	5
13.	S.F.Nos.52/11 and 52/12, Erode-Gobichettipalayam Main Road, Polavakalipalayam,	5

S. No.	Manufacturing Facility	Number of Contract Laborers
	Gobichettipalayam, Erode District	
14.	S.F. No.275/1,2 Velli Tirupur Post, Patlur Village and Panchayat, Ammapettai Union, Bhavani Taluk, Erode District	5
15.	S.F.No.299-2B/2, Cheyur Village, Avinashi Taluk, Tirupur District	9
16.	S.F.No.258/2, South Avinashipalayam Village, Koduvai, Tirupur District	5
17.	S.F.No.37/1B, Masthi Palayam, Irumbarai Village, Mettupalayam Taluk, Coimbatore District	5
18.	Spinning Division	4
19.	Processing Division	31
20.	Bhavani-Vellitiruppur Road, Mylampadi	5
21.	Kavindapadi, Erode District	5
Total		**329**

The Company also engaged 120 contract laborers in relation to the operation of its retail stores for the 'Crocodile' brand in Fiscal Year 2016.

The Company is in compliance with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder.

Properties

Our Registered Office is located at 39-A, Extension Street, Kaikattipudur, Avinashi, Tirupur Dist., Tamil Nadu - 641 654, India, which is leased by the Promoters to the Company. We have acquired various properties for our business and operations. We believe that our existing properties are adequate for our current requirements and that additional space can be obtained on commercially reasonable terms to meet our future requirements as they arise. The following table lists the properties owned by us:

S. No.	Property	Total Area	Purpose
1.	**Valapady, Salem** Attur Main Road, Valappady, Salem	9.06 acres	Spinning unit
		1.19 acres	Spinning unit
		1.02 acres	Spinning unit
2.	**Pongupalayam, Tirupur** Fairlands Township, Pongupalayam Panchayat, Tirupur District	4,000 sq. ft.	Vacant land not being used as part of our operations

In addition to the above owned properties, we have taken the following properties on lease for our business operations:

S. No.	Property	Lessor	Term	Total Area	Purpose
1.	**Avinashi** 39-A, Extension Street, Kaikattipudur, Avinashi and 245/1 and 246/2B, Extension Street, Avinashi	Mrs. S. Latha	29 years from April 1, 2015	8.17 acres	Registered Office, administration, manufacturing of garments and operation of company owned and operated store for sale of 'Crocodile' branded products
		Mr. P. Sundararajan and Mrs. S. Latha	29 years from November 30, 2006	2.98 acres	Manufacturing of garments
2.	**Avinashi** 4/1, Extension Street, S.F. Nos.229/1 and 230/3, Avinashi	Mr. P. Sundararajan and Mrs. S. Latha	29 years from November 30, 2006	10.64 acres	Manufacturing of garments
3.	**Palangarai** No.5/407-6, N.H.-47 Main Road, Palangarai Village, Avinashi	Mr. P. Sundararajan and Mrs. S. Latha	29 years from November 30, 2006	3.37 acres	Manufacturing of garments
		Mr. P. Sundararajan	29 years from April 1, 2015	1.11 acres	Manufacturing of garments
4.	**Neelambur** No1/477-A, Avinashi Main Road, Neelambur, Coimbatore	Mr. P. Sundararajan and Mrs. S. Latha	29 years from November 30, 2006	11.75 acres	Manufacturing of garments
5.	**Thekkalur** S.F.No. 565/1 and 565/2, Kovai Main Road, Thekkalur	Mr. P. Sundararajan	29 years from November 1, 2015	5.28 acres	Manufacturing of garments, printing and embroidery units
6.	**Samichettipalayam** S.F.Nos.647/1C and 647/2, and No.378-D, Samichettypalayam, Gudalur Village, Gudalur Panchayath, Coimbatore Taluk, Coimbatore District	Poornam	Five years from February 1, 2016	Land – 1.85 acres Building – 22,000 sq. ft.	Manufacturing of garments
7.	**Sathyamangalam** Athani Road, Near Government Hospital, M.Kumarapalayam, Sathyamangalam	Hindu Gavara Kula Sangam	12 months from January 1, 2016	8,740 sq. ft.	Manufacturing of garments
8.	**Sathyamangalam** No.93/2, (Old No.21), Malaiyadipudur Village, Sathyamangalam Taluk	Mr. P. Sundararajan	20 years from June 1, 2010	Three acres	Manufacturing of garments
9.	**SIPCOT Perundurai** Plot Nos.C-30,31,32, SIPCOT Industrial Growth Centre, Perundurai, Erode District	SIPCOT	99 years from July 28, 2003 (Plot C-31 and C-32) 99 years from May 25, 2005 (Plot C-30)	2.98 acres	Manufacturing of garments
10.	**SIPCOT Perundurai** Plot No.PP 1, Phase II, SIPCOT Industrial Growth Centre, Perundurai, Erode District	SIPCOT	99 years from April 15, 2005	25 acres	Dyeing unit
11.	**Cheyur**	Mr. P. Karuppasamy	Five years from February	18,330 sq. ft.	Manufacturing of garments

S. No.	Property	Lessor	Term	Total Area	Purpose
	S.F.No.299-2B/2, Cheyur Village, Avinashi Taluk, Tirupur District		1, 2015		
12.	**Gobichettipalayam** Dharapuram Road, Modachur, Gobichettipalayam, Erode District	Mr. M.M. Ramu	Three years from November 9, 2013	13,920 sq. ft.	Manufacturing of garments
13.	**Gobichettipalayam** S.F.Nos.52/11 and 52/12, Erode-Gobichettipalayam Main Road, Polavakalipalayam, Gobichettipalayam, Erode District	Mr. M.S. Loganathan	Three years from March 7, 2014	9,833 sq. ft.	Manufacturing of garments
14.	**Palladam** SF.No. 271/1, Muthandipalayam Pirivu, Chettipalayam Road, Karadivavi Post Office, Palladam Taluk	Mr. M.Srihari	Three years from August 1, 2014	17,500 sq. ft.	Manufacturing of garments
15.	**Sulthanpet** SF.No.694/3,4 (A, B and C Block) Varapatti, Sulthanpet Main Road, Sulthanpet Post, Sulur taluk, Coimbatore District	Mrs. S. Sarala and Mr. V. Srinivasan	Three years from December 1, 2013	20,496 sq. ft.	Manufacturing of garments
16.	**Koduvai** S.F.No.258/2, South Avinashipalayam Village, Koduvai, Tirupur District	Mr. A. Myilvaghnan	Three years from August 15, 2014	16,222 sq. ft.	Manufacturing of garments
17.	**Vellitirupur** S.F. No.275/1,2 Velli Tirupur Post, Patlur Village and Panchayat, Ammapettai Union, Bhavani Taluk, Erode District	Mr. S. Venkatachalapathy	Three years from July 1, 2016	12,900 sq. ft.	Manufacturing of garments
18.	**Pulliyampatti** S.F.No.37/1B, Masthi Palayam, Irumbarai Village, Mettupalayam Taluk, Coimbatore District	Mrs. D. Kalpanadevi	Three years from May 1, 2014	10,496 sq. ft.	Manufacturing of garments
19.	**Mylampadi** S.F. No.231/7, Mylampadi Village, Bhavani Taluk, Erode District	Mr. P Jagathesan	Three years from January 1, 2015	Building – 10,015 sq. ft. Land – 1.07 acres	Manufacturing of garments
20.	**Kavindapadi** S.F.No. 450/1, No. 179 – B&C, Main Road, Kavindapadi Pudur, Kavindapadi, Bhavani Taluk, Erode District	Mrs. V. Sumathi, Mr. A.P. Arumugam and Mr. K.D. Jaganthan	Five years from December 1, 2015	9,947 sq. ft.	Manufacturing of garments
21.	**Netaji Apparel Park** Plot No.18, Eettiveerampalayam Village, Tirupur Taluk, Avinashi Registration District, Tirupur Revenue District	Netaji Apparel Park, a company limited by guarantee	87 years from March 17, 2016	1.8 acres	Manufacturing of garments

Our retail division has also taken the following properties on lease in relation to the operation of company owned and operated stores for the sale of 'Crocodile' brand:

S. No.	Property	Total Area
1.	**Cross Cut** Vasu Building, Ambassador Corner, 306 Crosscut Road, Coimbatore 641 012	600 sq. ft.
2.	**Avinashi** 39-A, Extension Street, Kaikattipudur, Avinashi	8.17 acres, for the entire property located at 39-A, Extension Street, Kaikattipudur, Avinashi that also includes the Registered Office, administration, and a manufacturing facility for manufacturing of garments
3.	**Brookfields** Shop No.F-7A, First Floor, T.S. Nos.1422/1 and 1423/38 of Annupurpalayam Village, Ward No.8, 67-71, Krishnaswamy Road, Coimbatore 641 001	868 sq. ft.
4.	**Tristar** 652, Ground Floor, Avinashi Road, Coimbatore 641 037	750 sq. ft.
5.	**Kalapatti** 9/42, Nehru Nagar, Kalapatti Main Road, Coimbatore 641 014	480 sq. ft.
6.	**Saravanampatty** 95/1C, Sathy Road, Saravanampatty, Coimbatore 641 035	615 sq. ft.
7.	**Karamadai** JJ Plaza, Indira Nagar, Teachers Colony, 33/2, Mettupalayam Road, Karamadai, Coimbatore District	498.75 sq. ft.
8.	**Thudiyalur** Door No.8/216, Sri Ayangara Maruthi Complex, Mettupalayam Main Road, Viswanathapuram, Thudiyalur, Coimbatore 641 034	400 sq. ft.
9.	**Express Avenue** Shop No.SL-11, Lower Ground Floor, Express Avenue, No.49, 50L, Whites Road, Royapettah, Chennai 600 014	993.60 sq. ft.
10.	**Anna Nagar** Old No.C-52, New No.1, Muva Arcade, Ground Floor, 1st Main Road, Anna Nagar East, Chennai 600 102	450 sq. ft.
11.	**Sangli** Shop No.1A, First Floor, SFC Mega Mall, M.G. Road, Sangli, Maharashtra	700 sq. ft.
12.	**T. Nagar** Shop No.1 & 2, Ground Floor, Door No.14, Dr. Nair Road, Shopping Complex, T Nagar, Chennai 600 017	480 sq. ft.
13.	**Vijayawada** Unit No.1F-10-11, First Floor, PVP Square Mall, Door No.39-1-57, Mogalrajpuram, M.G. Road, Vijayawada – 520 010	576 sq. ft.
14.	**R.S. Puram** Door No.569A, Old Ward No.49, New Ward No.23, D.B. Road - Thiruvenkataswamy Road Junction, R.S. Puram, Coimbatore 641 002	680 sq. ft.
15.	**Erode** Ground Floor, No.283, Brough Road. Erode 638 001	500 sq. ft.
16.	**Valasarawakkam** Door No. Old No.28/New No.77, Arcot Road, Valasarawakkam, Chennai 600 087	640 sq. ft.
17.	**Mysore** Shop No.6-B, Ground Floor, D-Devraj URS Road, Mysore 570 001	770 sq. ft.
18.	**Karaikudi**	700 sq. ft.

S. No.	Property	Total Area
	Site No.137-A, Ground Floor, Door No.127/1, 100 Feet Road, Karaikudi 630 001	
19.	**Karur** No.156-1, Coimbatore Road, Karur 639 002	1,000 sq. ft.
20.	**Kammanahalli** 414, Ground Floor, 4th Main, 2nd Block, HRBR layout, Kalyana Nagar, Bangalore 560 043	565 sq. ft.
21.	**Salem** Reliance Mega, 229/1, 5 Junction Road, Meyyanur, Unit No.41, Block No.5 Meyyanur Village, Salem 636 004	492 sq. ft.
22.	**AS Rao Nagar** Plot No.5, Ground Floor, Gayatri Arcade, Tyagaraya Nagar, 1-19-69/5/1, A.S. Rao Nagar, Kapra Municipality, Hyderabad 500 062	740 sq. ft.
23.	**R.T. Nagar** No.2, Ground Floor, P&T Colony, Gangenahalli, R.T. Nagar Main Road, Bangalore 560 032	950 sq. ft.
24.	**Trichy** No.22, Saminatha Shastri Road, Thennur, Trichy 620 017	700 sq. ft.
25.	**Rajendranagar** Ground Floor, Srisaliam Harsha MCube Mall, Attapur, Rajendranagar, Hyderabad 500 048	1,017 sq. ft.
26.	**Dehradun** Lower Ground Floor, Pacific Mall, Village-Mauza Jakhan, Rajpur Road, Dehradun, Uttarakhand	1,717 sq. ft.
27.	**Panvel** Shop No.F-09, First Floor, Orion Mall, Plot No.311, Mumbai-Pune Highway, Near Panvel Bus Depot, Panvel 410 206	697 sq. ft.
28.	**Hubli** Ground Floor, Nos.3005/1 and 3005/2, Umachigi Complex, Coen Road, Hubli 580 020	500 sq. ft.
29.	**Calicut** Shop No.0086 (Door No. 3/C/1043C65 and 3/C/1043C66), HiLite Mall, Olavanna Village	884 sq. ft.
30.	**Shivamogga** Ground Floor, No.1, J.J. Commercial Complex, Sowlanaga Road, Shivamogga	980 sq. ft.
31.	**Thrissur** Unit GS-10, Ground Floor, Sobha City Mall, Kuttoor Village, Thrissur Taluk, Kerala	1,006 sq. ft.
32.	**Jaipur** Shop No. 92. House No.3240, Near Natraj Restaurant, MI Road, Jaipur	400 sq. ft.
33.	**Delhi** Shop No.1, Ground Floor, UA-29, Bungalow Road, Jawahar Nagar, Delhi 110 007	586 sq. ft.
34.	**Pune** Amanora Town Center, Amanora Park Township, Village Sadesatranali (17 ½ - Nali), Hadapsar, Taluka Haveli, District Pune	1,510 sq. ft.
35.	**Kadapa** Honeybees Lifestyle, 1/221-2, Ground Floor, Donbosco ITI	500 sq. ft.

S. No.	Property	Total Area
	Complex, Near Sandhya Circle, RS Road, Kadapa 516 004	
36.	**Karim Nagar** 3-1-364, Christian Colony, Karim Nagar	1,100 sq. ft.
37.	**Jubilee Hills** Survey No.403 (Old) 120 (New) -Shaikpeth Village, Survey No.102/1 – Hakimpeth Village, Ward No.8, Block 2, H.No.8-2 – 293/82/A/714 and 8-2 – 293/82/A/714/1 Road No.36, Jubilee Hills, Hyderabad	1,225 sq. ft.

Quality assurance, laboratory accreditations and certifications

We are particular in complying with the specifications provide by our customers. We adhere to the highest standards of quality for our products. We exercise stringent quality control checks consisting of inspection and testing of fabric, greige and processed yarn, trims, accessories, packing materials and of each piece of garment for metal bits/needle tips/sharp edges prior to packing. We check every piece of garment produced at our manufacturing facilities prior to it being packed. All individual pieces of garments are also physically inspected to ensure that no defective/damaged pieces are delivered to our customers. We have hired employees to monitor the quality of our products. We are proud of the fact that we consistently and regularly meet all necessary quality standards of our customers.

One of our laboratories (Laboratory – I) located at Avinashi, Tamil Nadu, India has also been awarded the certificate of accreditation by the National Accreditation Board for Testing and Calibration Authorities, Department of Science and Technology, India for being in compliance with the standards under ISO/IEC 17025:2005 in the discipline of chemical testing and mechanical testing (valid until July 25, 2017). We have received several certifications and accreditations for maintaining strict quality control in our various manufacturing processes, including ISO 9001:2008 systems certification (valid until July 2, 2017).

We have also received the ‘F&F Gold Supplier Award’ by TESCO in 2013, ‘Values Award’ by TESCO in 2011-12 and ‘Trading Fairly Award’ for setting benchmarks in Tirupur for compliance with labor standards, investing in workers and supporting community projects by TESCO in 2009. We have also been awarded the Safety Award by the Directorate of Industrial Safety and Health, Government of Tamil Nadu for the least number of accidents in the years 2010 and 2011.

For the details of the awards, certifications and accreditations awarded to the Company, see the section “*History and Certain Corporate Matters*” on page 144.

Technology and Infrastructure

We have made significant investments in establishing modern manufacturing facilities. We have implemented and installed the Eton conveyor production system (which automates the sewing assembly line and controls workflow through productivity measurement), automatic assembly line, advanced semi-automated storage and retrieval system (ASRS) for efficient warehouse/inventory management and the Orgatex software system for automation of the processes related to dyeing. We currently operate 21 manufacturing facilities in and around the region of Avinashi, Tamil Nadu, India with advanced plant and machinery. We also have integrated facilities for embellishments such as designing, embroidery, printing, sewing and cutting of the garments. Our manufacturing operations are supported by a wide range of infrastructure facilities. As of March 31, 2016 we owned 4,874 sewing machines, eight cutting machines, 79 embroidery machines, 17 printing machines, 16,896 spindles and 22 dyeing machines.

Competition

We are among the leading childrenwear manufacturers and the second largest exporters of knitted garments for infants and children in India. *(Source: Technopak Report)*

The garments manufacturing industry, globally and in India is highly fragmented and competitive, with a large number of small and medium sized manufacturers having a local presence in South Asia, China and India. With the elimination of export quotas as of January 1, 2005 under the World Trade Organization (WTO), competition in the garments exporting market has increased dramatically, including competitive pressure from additional low cost manufacturers in countries such as Vietnam, Pakistan and Bangladesh. No single country dominates the garments industry either in the Indian or international markets and our competitors range from large multinational enterprises with substantial resources to niche manufacturers. In order to be competitive in the export market of knitted garments for infants and children, we intend to continue to leverage our increasing capacity, cost efficient production and operational capabilities and maintain and develop strong relationship with our existing customers and new customers, respectively.

The retail sector in the garments industry is also highly and increasingly competitive. In relation to our 'Crocodile' brand, we compete primarily on the basis of brand image, style and quality. In order to be competitive in the menswear garments segment, we must continue to develop and market our 'Crocodile' brand, innovate rapidly to respond to changing fashion trends and customer preferences, and offer our retail customers with a wide variety of high quality menswear garments at competitive prices.

Intellectual Property

Our intellectual property rights include the trademark registration for 'Natalia' and 'CDL'. In addition, we have applied for the trademark registration for our Company logo.

Further, pursuant to the terms of the technology license agreement dated April 26, 1994, as amended, our Subsidiary, CPPL has been provided an exclusive license by CIPL (valid until July 31, 2021) to manufacture, distribute and market products in India under the 'Crocodile' brand for adult menswear limited to shirts, polo shirts, t-shirts, trousers, jeans, sweaters, jackets and adult men's innerwear limited to vests, briefs, boxer shorts in India. Under the above technology license agreement, CPPL is required to pay royalty to CIPL at the specified rate based on the total net sales of 'Crocodile' products by CPPL and/or its authorized sub-licensee for the entire period of the license.

Pursuant to an agreement dated March 31, 2015, CPPL has exclusively sub-licensed the right to manufacture, distribute and market products under the 'Crocodile' brand in India as mentioned above to our Company commencing from October 1, 2015 until July 31, 2021. Under such sub-license agreement, our Company is required to pay royalty to CPPL at the specified rate based on the total net sales of 'Crocodile' products by our Company.

Insurance

We maintain insurance policies in respect of our business, operations, products and workforce. Our Company paid an aggregate amount of ₹3.28 million as insurance premium in the Fiscal Year 2016 for the various policies obtained by the Company. We have obtained fire and special perils insurance policies for our manufacturing facilities and the company owned and operated stores in relation to the 'Crocodile' brand to cover material loss of, or damage to, buildings, plant and machinery, furniture and other physical assets. We maintain separate electronic equipment insurance coverage in relation to several of our manufacturing premises, including our Registered Office and a marine turnover insurance policy which provides transit insurance coverage to cover the safety of our products in transit. We also maintain a money insurance policy in respect of our Registered Office, a group personal accident policy in respect of certain of our manufacturing facilities and company owned and operated stores in relation to the 'Crocodile' brand, employee fidelity policy in respect of certain of the company owned and operated stores in relation to the 'Crocodile' brand, and directors and officers liability insurance and motor vehicle insurance policies. We have obtained what we consider to be adequate insurance for our business, operations, products and workforce and that we consider to be consistent with other garments manufacturers in India.

Corporate Social Responsibility

We focus on various corporate social responsibility programs and initiatives like organization of free eye screening camps in association with Aravind Eye Hospitals and Postgraduate Institute of Ophthalmology, Madurai, Tamil Nadu, India and providing financial support to Tirupur Auxilium Salesian Sisters Society, Marialaya and Kovai

Auxilium Salesian Sisters Society, Marialaya – rehabilitation homes for street and working girls. Further, we comply with applicable health, safety, labor and environmental legislation and other requirements in our operations. We also emphasize on training in occupational health and safety procedures as an integral part of our operations.

REGULATIONS AND POLICIES

The following description is a summary of certain key regulations and policies prescribed by the Government which are applicable to our Company and are currently in force. The information detailed in this section has been obtained from publications available in the public domain. The description of the regulations set out below may not be exhaustive, and are only intended to provide general information to the investors, and is neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

Textile Sector Regulations and Policies

National Textile Policy, 2000

The Government of India, in November 2000, announced the National Textile Policy (the "**NTP-2000**") with the objective of helping the textile industry attain global standing in the manufacture and export of clothing. In furtherance of these objectives, the NTP-2000 placed strategic importance on technological upgradation, enhancement of productivity and quality, product diversification and strengthening the raw material base of the country.

The Government of India, in July 2014, submitted a draft of a new national textile policy, the Vision, Strategy and Action Plan for Indian Textile and Apparel Sector (2024) ("**Draft NTP**") with the objective of achieving US$300.0 billion exports and 20% share of the global trade in the textile sector by 2024-25. The Draft NTP also seeks to attempt a structural transformation pursuant to which India would become a net exporter of finished products. In this process, the textile sector is expected to get investments of approximately US$180.0 billion to US$200.0 billion and create 35 million additional jobs.

Certain strategic initiatives envisaged under the Draft NTP are set forth below:

(a) facilitating rapid growth through large scale capacity additions with economies of scale including increase in man-made fibre production;
(b) providing an investment allowance of 15% across the entire textile and apparel manufacturing value chain for the next ten years irrespective of the investment amount;
(c) setting-up a privately managed Government seeded equity fund to provide equity for start-ups, whereby equity is provided without seeking management control; setting-up mega textile parks which will receive around US$5.0 billion per year of fresh investment;
(d) promoting skill development initiatives by providing tax relief for the fees paid by the apparel and textile sector firms to professional agencies for skill development;
(e) diversification of export products and markets, five-year tax holidays recommended to companies on the export of specific finished goods such as apparel, made-ups and technical textiles (designated by the Ministry of Textiles, GoI), if they sustain export growth over 25% annually;
(f) permitting foreign direct investment in single brand and multi-brand retail for apparel brands owned and controlled by Indians subject to such investment receiving approval from the FIPB;
(g) improving irrigation and agricultural practices, development of organic or coloured cotton and a system of third party cotton certification that would improve cotton yields;
(h) introducing user friendly labor laws suited to the present conditions; and
(i) promoting innovation, research and development.

Technology Upgradation Fund Scheme

The Ministry of Textiles, Government of India, launched a Technology Upgradation Fund ("**TUF**") scheme for the textile and jute industry for a five year period from April 1, 1999 to March 31, 2004. It was subsequently extended in 2004 and 2007 with modifications. It was further restructured with effect until March 31, 2012 and extended until March 31, 2013. On October 4, 2013, the Ministry of Textiles provided the financial and operational parameters and implementation mechanism for the Revised Restructured-TUF ("**RR-TUF**") scheme for the 12th Five Year Plan period i.e., until March 31, 2017.

On December 30, 2015, the Cabinet Committee on Economic Affairs introduced the Amended Technology Upgradation Fund ("**ATUF**") scheme, modifying certain provisions of the RR-TUF. The ATUF scheme is effective until March 31, 2022. The ATUF scheme specifically targets (a) increasing employment generation and export by employment of women, (b) promotion of technical textiles, (c) conversion of existing looms to technology looms, and (d) increasing the quality of the processing industry. The total budget outlay of the ATUF scheme is ₹178,220 million, of which ₹126,710 million is for committed liabilities under the ongoing scheme, and ₹51,510 million is for new cases under the ATUF scheme.

The TUF scheme provided for interest reimbursement of 5% on the interest charged by a lending agency for financing of a project of technology upgradation in conformity with the TUF scheme. The ATUF scheme provides for 15% capital subsidy for garmenting and technical textiles.

Pursuant to the ATUF scheme, entities that have availed subsidy earlier under the RR-TUF scheme will be eligible for only the balance amount within the overall ceiling fixed for an individual entity.

Export Promotion Capital Goods ("EPCG") Scheme

The EPCG scheme under the Import-Export Policy 2015-20 allows import of capital goods at zero customs duty with an obligation to export an amount at least equal to six times the duty saved on capital goods and to be fulfilled in six years from the date of issue of authorization. Second hand capital goods are not permitted to be imported under EPCG scheme.

Export Performance Certificate

The Apparel Export Promotion Council ("**AEPC**") issues Export Performance Certificates to eligible exporters who are registered with the AEPC as a manufacturer exporter or merchant exporter and who have past export turnover in the previous financial year. The exporter can make an application for the issuance of an Export Performance Certificate in the manner prescribed by the AEPC. The exporter is eligible to import certain eligible items for use in the manufacture of textile garments for exports, for example, pursuant to the Customs Notification No. 10/2015 dated March 1, 2015 issued by the Ministry of Finance, GoI, the AEPC will allow duty free import of embellishments of up to 5% of the FOB value realized on exports for eligible exporters of textile garments.

Further, concessions on imports of eligible items up to the extent of 5% of the FOB value realized on exports of ready-to-wear garments during the preceding financial year can be availed.

Our Company is registered with the AEPC and has been issued an Export Performance Certificate which is valid until March 31, 2017.

Duty Drawback Scheme

The Duty Drawback scheme, framed pursuant to the Customs Act, 1962 and the Central Excise Act, 1944, enables exporters to obtain a refund of the excise and customs duty payable on the import of raw materials that are used in the manufacture of exported goods, subject to certain conditions. The scheme was enacted in order to make such exporters' products more competitive in the international market.

The Department of Revenue, Government of India, announced a revision in the All Industry Drawback Rates on February 8, 2016 with effect from February 11, 2016. The revised Drawback Schedule covers more than 3,900 entries presently. With respect to apparel items, the drawback rates have also been given on the basis of the composition of textiles, and differ for when Central Value Added Tax facility has been obtained.

Merchandise Exporter from India ("MEI") Scheme

Pursuant to the Foreign Trade Policy (2015-2020), the MEI scheme has replaced five earlier schemes and was introduced to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and able to enhance our export competitiveness. The basis for calculation of the reward under the MEI scheme is on the FOB value of exports realized in free foreign exchange or on the FOB value of exports mentioned in the shipping bill, whichever is less, unless otherwise specified. With effect from June 1, 2015, the MEI scheme mandatorily requires a declaration of intent to be endorsed on the shipping bills (except free shipping bills) to be eligible to claim any reward under the MEI scheme.

The Textiles Committee Act, 1963

The Textiles Committee Act, 1963, has established the Textiles Committee with the primary objective of ensuring standard quality of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. Its functions include the promotion of textiles and textile exports, research in technical and economic fields, establishing standards for textiles and textile machinery and setting-up of laboratories for the testing of textile. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India.

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, provides for the levy and collection of an additional duty of excise on certain textiles and textile related articles.

Other Regulations

Labor Laws

Our operations are subject to compliance with certain labour and industrial laws, including, but not limited to the following:

- the Child Labour (Prohibition and Regulation) Act, 1986;
- the Contract Labor (Regulation and Abolition) Act, 1970;
- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- the Employees' State Insurance Act, 1948;
- the Factories Act, 1948;
- the Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;
- the Industries (Development and Regulation) Act, 1951;
- the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- the Maternity Benefit Act, 1961;
- the Minimum Wages Act, 1948;
- the Payment of Bonus Act, 1965;
- the Payment of Gratuity Act, 1972;
- the Payment of Wages Act, 1936;
- the Tamil Nadu Industrial Establishment (National and Festival Holidays) Act, 1958; and
- the Workmen's Compensation Act, 1923.

Safety and Environmental Laws

Our operations are also subject to certain safety and environmental legislations, including but not limited to the following:

- the Air (Prevention and Control of Pollution) Act, 1981;
- the Environment (Protection) Act, 1986;
- the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- the Water (Prevention and Control of Pollution) Act, 1974; and
- the Water (Prevention and Control of Pollution) Cess Act, 1977.

Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government and the FEMA and the circulars and notifications issued thereunder.

The consolidated FDI Policy Circular of 2015 issued by the DIPP, which took effect from May 12, 2015, as amended ("**Consolidated FDI Policy**"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

The transfer of shares from an Indian resident to a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within applicable sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

Foreign Trade (Development and Regulation) Act, 1992

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 (the "**Foreign Trade Act**"). Under the Foreign Trade Act, every importer and exporter must obtain an 'Importer Exporter Code' from the Director General of Foreign Trade or from any other duly authorized officer. The Director General of Foreign Trade or an authorized officer can suspend or cancel a licence issued for export or import of goods in accordance with the Foreign Trade Act, after giving the licence holder a reasonable opportunity of being heard.

Intellectual Property Laws

India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is a party to several international intellectual property treaties and conventions including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works adopted at Berne in 1886, the Universal Copyright Convention adopted at Geneva in 1952, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961 and as a member of the World Trade Organization is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995.

Our Company has applied for trademark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of the Company

Our Company was incorporated in Avinashi, Tamil Nadu as S.P. Apparels Limited, a public limited company under Part IX of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 18, 2005 that was issued following an application to convert M/s S.P. Apparels, a partnership firm into a company. The partnership firm was originally formed pursuant to a partnership deed dated December 14, 1988. Subsequently, pursuant to a partnership deed dated November 7, 2005, the partnership was further reconstituted by the declaration of the partnership as a joint stock company. The joint stock company was thereafter converted into a public limited company pursuant to a certificate of incorporation dated November 18, 2005.

Our Company has eight Shareholders, as on the date of filing of this Prospectus. For further information, see the section "*Capital Structure – Notes to Capital Structure – Shareholding Pattern of our Company*" on page 70.

Our Registered and Corporate Office is located at 39-A, Extension Street, Kaikattipudur, Avinashi 641 654, Tirupur District, Tamil Nadu, India.

Conversion of Partnership Firm into our Company

Our Company was formed pursuant to the conversion of a partnership firm, M/s S.P. Apparels, (the "**S.P. Partnership**") into a joint stock company under Part IX of the Companies Act, 1956. The S.P. Partnership was constituted by P. Velusamy, P. Subramaniam, P. Kanakarajan and P. Sundararajan pursuant to a partnership deed dated December 14, 1988 for the purpose of purchase, sale and export of cloth, textiles and garments. Subsequently, pursuant to partnership deeds dated July 19, 1989, April 1, 1999, April 1, 2002, certain persons retired and certain other persons were admitted to the S.P. Partnership, including S. Latha who was admitted to the S.P. Partnership with effect from April 1, 2002. Subsequently, pursuant to a partnership deed dated April 1, 2004, P. Sundararajan and S. Latha decided to continue the S.P. Partnership for the purpose of manufacturing, purchase, export and sale of garments, fabric, yarn and other textile goods. Subsequently, pursuant to a partnership deed dated September 19, 2005, V. Senthil, S. Santha, P. Velusamy, V. Padmini and P. Ashokaraman were admitted as parties to the S.P. Partnership. Subsequently, pursuant to a partnership deed dated November 7, 2005, the S.P. Partnership was further reconstituted by the declaration of the S.P. Partnership as a joint stock company and all the assets and liabilities of the S.P. Partnership were taken over by our Company. Further, the erstwhile partners of the S.P. Partnership were issued Equity Shares in our Company in the manner set out below:

S. No.	Name of the Partner	Number of Equity Shares	Amount (in ₹)
1.	P. Sundararajan	3,975,000	39,750,000
2.	S. Latha	1,000,000	10,000,000
3.	V. Senthil	5,000	50,000
4.	S. Shantha	5,000	50,000
5.	P. Velusamy	5,000	50,000
6.	V. Padmini	5,000	50,000
7.	P. Ashokaraman	5,000	50,000
	Total	**5,000,000**	**50,000,000**

Changes in the Registered Office

The Registered Office of our Company is situated at Tirupur District, Tamil Nadu. The details of the change in the registered office of our Company since incorporation are as below:

Effective Date	Details of Change	Reason for Change
November 27, 2015	The registered office of our Company was changed from 39A, Extension Street, Kaikattipudur, Avinashi, Coimbatore District, Tamil Nadu – 636 007, India to 39A, Extension Street, Kaikattipudur, Avinashi, Tirupur District, Tamil Nadu – 641 654, India.	Pursuant to the Gazette Notification No. G.O. (Ms) No. 618 dated October 24, 2008 issued by the Revenue Department, Government of Tamil Nadu, the registered office of our Company became a part of the newly formed district of Tirupur.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *"To carry on all or any of the business as manufacturers, traders, importers, exporters, retailers, makers, designers, stockists, distributors, consignors, consignees, agents, factors of and/or otherwise deal in hosiery goods readymade garments, made-ups, towels, knit wears, home textile and fabrics of all descriptions made out of cotton, man made fibres and silks.*

2. *To manufacture, spin, weave, prepare, bleach, dye, print or in any other any to manipulate Cotton, Cotton Yarn, Silk, Artificial silk, Staple Fibre, Rayon, Polyester, Wool, Nylon, acrylic, jute, milange, Synthetic and other fibrous substances or blended varieties thereof and to deal in, sell, purchase or otherwise trade in all or any of the above products and to carry on the business of cotton spinning mill, staple fibre and other fibrous substances, spinning mills, weaving mills, cotton ginning and pressing.*

3. *To carry on business as drapers and dealers of furnishing fabrics in all its branches, as customers, ready made dress and mantle makers, silk mercers, makers and suppliers of clothing, lingerie and trimmings of every kind, furriers, drapers, haberdashers, milliners, hosiers, gloves, lace makers, feather dressers, felt makers dealers in and manufacturers of yarns and fabrics.*

4. *To carry on all of the business of processing, Scouring, Sizing, Bleaching, Colouring, dyeing, texturising, Calendaring, Printing, Mercerising and finishing, buying, selling, importing, exporting cotton, linen, wool, Silk, Artificial silk, Rayon, Chemical, Synthetic, Yarn, Fabric, textiles, and textile substances of all kind."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Offer.

Amendments to the Memorandum of Association

Date of Shareholders' resolution	Nature of Amendment
March 25, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹100,000,000 divided into 10,000,000 Equity Shares to ₹210,000,000 divided into 21,000,000 Equity Shares.
October 28, 2006	The following clause B.45 was added to the ancillary objects clause of our Memorandum of Association: "*To generate, purchase, accumulate supply and distribute electric energy through wind mills and otherwise and supply electrical and other non – conventional methods and other energy to factories, workshop and other places*"
December 2, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹210,000,000 divided into 21,000,000 Equity Shares to ₹230,000,000 divided into 23,000,000 Equity Shares.
March 21, 2007	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹230,000,000 divided into 23,000,000 Equity Shares to ₹330,000,000 divided into 33,000,000 Equity Shares.
May 15, 2008	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹330,000,000 divided into 33,000,000 Equity Shares to ₹360,000,000 divided into 36,000,000 Equity Shares.
May 28, 2011	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹360,000,000 divided into 36,000,000 Equity Shares to ₹400,000,000 divided into 20,000,000 Equity Shares and 20,000,000 10% Redeemable Preference Shares.
July 22, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹400,000,000 divided into 20,000,000 Equity Shares and 20,000,000 Redeemable Preference Shares to ₹472,500,000 divided into 20,000,000 Equity Shares, 20,000,000 10% Redeemable Preference Shares and 7,250,000 6% CCPS.
September 30, 2015	Clause V of the Memorandum of Association was amended to reflect the change in the authorized share capital of the

Date of Shareholders' resolution	Nature of Amendment
	Company from ₹472,500,000 divided into 20,000,000 Equity Shares, 20,000,000 Redeemable Preference Shares and 7,250,000 6% CCPS to ₹472,500,000 divided into 27,250,000 Equity Shares and 20,000,000 Redeemable Preference Shares of ₹10 each.

Major Events

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Event
1989	Started export operations as a partnership firm
1998	Set-up our own manufacturing facility at Neelambur
2001	Commissioning of the first wind energy generator
2003	Set-up first in-house embroidery facility at Thekkalur
2004	Set-up our flagship factory at Avinashi with full garment conversion process (from cutting to packing)
2005	Conversion of the partnership firm to our Company
2005	Set-up first in-house printing facility at Avinashi
2005	Commissioning of our own dyeing plant at SIPCOT, Perundurai
2006	Investment by NYLIM India Fund II in our Company pursuant to the SSSA
2006	Acquisition of majority shareholding in CPPL pursuant to a share transfer agreement dated May 24, 2006 and a memorandum of understanding dated May 24, 2006 executed among CIPL, CPPL, our Company and Shivarams Associates Private Limited
	Addenda to the Technology License Agreement dated May 16, 2006 executed by our Subsidiary, CPPL with Crocodile International Pte Limited in 1996, for the use of the 'Crocodile' brand
2007	Acquisition of the 'Natalia' brand pursuant to an agreement dated February 20, 2007
2007	Amalgamation of S.P. TexFab Private Limited with our Company pursuant to a Scheme of Amalgamation sanctioned by the High Court of Madras with effect from March 21, 2007
2008	Amalgamation of Sri Balaji Bakkiam Spinning Mills with our Company pursuant to a Scheme of Amalgamation sanctioned by the High Court of Madras with effect from May 13, 2008
2008	Acquisition of our retail division from CPPL, on a going concern basis
2009	Reschedulement of term loan facilities from State Bank of Mysore and State Bank of Indore. The facility availed from State Bank of Indore has been repaid by our Company subsequently.
2010	Formulation and implementation of a foreign exchange policy for our Company
2011	Sale of wind mills owned by our Company to Maple Renewable Power Private Limited pursuant to a slump sale agreement dated December 23, 2011
2013	Investment by Euro Asia pursuant to the Investment Agreement
2014	Incorporation of a wholly-owned subsidiary, SPUK in the United Kingdom
2014	Reschedulement of term loan facility from Andhra Bank
2015	Execution of the Sub-Licensing Agreement with our Subsidiary, CPPL to manufacture, distribute and market products under the 'Crocodile' brand
2015	Transfer of 12 retail stores by Poornam to our Company pursuant to the Slump Sale Agreement

Other Details regarding our Company

For details of our Company's corporate profile, business, marketing, the description of our activities, services, products, market segment, the growth of our Company, exports and profits due to foreign operations and country-wise analysis, standing of our Company in relation to prominent competitors with reference to our products and services, environmental issues, technology, market, capacity built-up, major suppliers, major customers and geographical segment, see the sections "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 122 and 285, respectively.

For details of the management of our Company and its managerial competence, see the section "*Our Management*" on page 154.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt, see the sections "*Capital Structure*" and "*Financial Indebtedness*" on pages 66 and 309, respectively.

Injunctions or restraining order against our Company

Except as disclosed in the section "*Outstanding Litigation and Material Developments*" on page 324, there are no injunctions or restraining order against the Company.

Guarantees provided by our Promoters

None of our Promoters are offering the Equity Shares held by them as part of the Offer. In any event, other than the guarantees given to our lenders and as disclosed in the section "*Financial Indebtedness*" on page 309, our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Prospectus.

Financial and Strategic Partners

As of the date of filing of this Prospectus, NYLIM India Fund II and CIPL are financial and strategic partners of our Company, respectively. NYLIM India Fund II holds 1,800,000 Equity Shares pursuant to the SSSA. CIPL has granted a license to our Subsidiary, CPPL in relation to the 'Crocodile' brand. For further information, see the section "*History and Certain Corporate Matters – Summary of Certain Agreements – Other Material Agreements*" on page 153.

Changes in the activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings from financial institutions/banks and conversion of loans into equity

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, see the section "*Financial Indebtedness*" on page 309. Further, except as disclosed below, none of our loans have been rescheduled or been converted into Equity Shares.

Pursuant to a letter dated January 29, 2014, Andhra Bank approved the restructuring of the term loan ₹168,300,000 availed by our Company, subject to certain terms and conditions including payment by the Company of ₹200,000 towards the request for reschedulement and our Company undertaking to make accelerated payment of the loan if demanded by Andhra Bank, in the event of better performance. Our Company has agreed to repay the amount outstanding to Andhra Bank under this facility in 24 quarterly instalments by March 2021.

Pursuant to a letter dated June 30, 2009, State Bank of Mysore approved the restructuring of certain term loans availed by our Company, subject to the rate of interest being increased by 1.25% on all such rescheduled term loans and our Company undertaking not to make any further investments in fixed assets without the prior approval of State Bank of Mysore.

Credit Rating

We have obtained the following ratings from ICRA Limited in August 2015:

Instruments	Amounts (in ₹ million)	Rating Action
Long-term: term loan facilities	483.00 (revised from 445.00)	Upgraded to [ICRA]BB from [ICRA]D; Outlook: Stable
Long-term: fund based facilities	200.00 (revised from 340.00)	
Short-term: fund based facilities	1150.00	Upgraded to [ICRA]A4 from [ICRA]D

In upgrading our rating, ICRA Limited has considered the improvement in the financial profile of our Company during Fiscal Year 2015 reflected by an increase in operating profits and cash flows leading to regularization of debt servicing by us.

Lock-outs and strikes

There have been no lock-outs or strikes at any of the units of our Company or the Subsidiaries.

Time and cost overruns

Our Company has not experienced any time or cost overruns in relation to any of its projects.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

Scheme of amalgamation of S.P. Texfab Private Limited with our Company and their respective shareholders

Pursuant to a resolution dated December 2, 2006 adopted by our Board, our Company filed a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956, as amended before the High Court of Madras for the merger of S.P. Texfab Private Limited, which was a wholly-owned subsidiary of our Company, with our Company (the "**Texfab Scheme**"). The Texfab Scheme was sanctioned by the High Court of Madras by an order dated March 1, 2007, pursuant to which S.P. Texfab Private Limited was dissolved with effect from April 1, 2006 and its entire business, assets, loans and advances, liabilities, contracts, employees etc. were transferred to our Company. Further, the equity shares held by our Company and its nominees in S.P. Texfab Private Limited were cancelled and the authorized share capital of S.P. Texfab Private Limited was combined with the authorized share capital of our Company.

Scheme of amalgamation of Sri Balaji Bakkiam Spinning Mills Limited with our Company and their respective shareholders

Pursuant to a resolution dated December 17, 2007 adopted by our Board, our Company filed a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956, as amended before the High Court of Madras for the merger of Sri Balaji Bakkiam Spinning Mills Limited, which was a wholly-owned subsidiary of our Company, with our Company (the "**Bakkiam Scheme**"). The Bakkiam Scheme was sanctioned by the High Court of Madras by an order dated April 23, 2008, pursuant to which Sri Balaji Bakkiam Spinning Mills Limited was dissolved with effect from April 1, 2007 and its entire business, assets, loans and advances, liabilities, contracts, employees etc. were transferred to our Company. Further, the equity shares held by our Company and its nominees in Sri Balaji Bakkiam Spinning Mills Limited were cancelled and the authorized share capital of Sri Balaji Bakkiam Spinning Mills Limited was combined with the authorized share capital of our Company. Pursuant to the Bakkiam Scheme, our Company acquired the spinning facility of Sri Balaji Bakkiam Spinning Mills Limited.

For details on the slump sale agreements executed by our Company, see the section "*History and Certain Corporate Matters – Summary of Certain Agreements – Other Material Agreements*" on page 153.

For details on the acquisition of certain of our Subsidiaries, see the section "*History and Certain Corporate Matters – Summary of Certain Agreements – Acquisition Agreements*" on page 152.

Except as stated above, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

Awards, Certifications and Recognitions

We have received the following awards, certifications and recognitions:

Calendar Year*	Award/Certification/Recognition
2006	Awarded "Outstanding New Vendor" by The Children's Place (Disney Store, North America)
2007	Received 'Worldwide Responsible Apparel Production' certification
2009	Recognized as 'Star Export House' by the Government of India
2009	Awarded "Trading Fairly Award" by TESCO for setting benchmarks in Tirupur for labor standards compliance, investing in workers and supporting community projects
2010	Awarded "Tamil Nadu State Government Safety Award 2010" by the Directorate of Industrial Safety and Health, Government of Tamil Nadu for the least number of accidents
2011	Awarded "Tamil Nadu State Government Safety Award 2011" by the Directorate of Industrial Safety and Health, Government of Tamil Nadu for the least number of accidents
2011	Awarded "Best Newcomer" by Marks & Spencer Children's Suppliers Awards 2011
2011 - 2012	Awarded "Values Award" by TESCO
2013	Awarded "F&F Gold Rated Supplier 2013" by TESCO
2013	Received laboratory accreditation ISO/IEC 17025:2005 by the National Accreditation Board for Testing and Calibration Authorities, Department of Science and Technology, India
2014	Received ISO 9001:2008 systems certification
2014	Received laboratory testing accreditation by one of our customers

* *The calendar year pertains to the year for which the award, certification or recognition was given to our Company.*

Holding Company

We have no holding company.

Our Subsidiaries

Our Company has the following Subsidiaries:

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

None of the Subsidiaries (i) is listed on any stock exchange in India or abroad; (ii) has become a sick company under the meaning of the SICA; or (iii) is under winding-up. There are no accumulated profits or losses of the Subsidiaries not accounted for by our Company.

Unless otherwise stated, the information below is as of the date of this Prospectus.

1. ***Crocodile Products Private Limited***

Corporate Information:

Crocodile Products Private Limited ("**CPPL**") was incorporated under the Companies Act, 1956 on March 21, 1994. The registered office of CPPL is located at 39-A, Extension Street, Kaikattipudur, Avinashi 641 654, Tirupur District, Tamil Nadu, India.

CPPL is engaged in the business of, *inter alia*, establishing and managing units to manufacture, trade, deal, import and export garments and to enter into joint venture agreements with CIPL for the manufacture and marketing of products under the trade mark 'Crocodile'.

Capital Structure:

The authorized share capital of CPPL is ₹70,000,000 divided into 700,000 equity shares of face value of ₹100 each. The issued, subscribed and paid-up share capital of CPPL is ₹38,000,000 divided into 380,000 equity shares of face value of ₹100 each.

Shareholding Pattern:

S. No.	Name of Shareholder	Number of equity shares	Percentage of issued capital
1.	S.P. Apparels Limited	266,000	70%
2.	Crocodile International Pte. Ltd.	114,000	30%
	Total	**380,000**	**100%**

Financial Information

(in ₹ million, unless otherwise stated)

Particulars	For the period ended		
	March 31, 2016	**March 31, 2015**	**March 31, 2014**
Equity capital	38.00	38.00	38.00
Reserves (excluding revaluation reserves) and surplus	(126.44)	(117.98)	(193.96)
Sales/Turnover (income, excluding other income)	190.01	241.00	119.64
Profit/(Loss) after tax	(8.46)	76.24	(8.36)
Earnings per share (face value ₹10) (basic) (in ₹)	(22)	201.00	(22.01)
Earnings per share (face value ₹10) (diluted) (in ₹)	-	-	-
Book value per equity share (in ₹)	(232.73)	(210.47)	(410.42)

There are no significant notes of the auditors in relation to the above-mentioned financial information.

2. *S.P. Apparels (UK) (P) Limited*

Corporate Information:

S.P. Apparels (UK) (P) Limited ("**SPUK**") was incorporated under the [U.K.] Companies Act, 2006 on November 10, 2014. The registered office of SPUK is located at 49, Queens Road, Blaby, Leicester, Leicestershire, LE84EH, England. SPUK was incorporated in 2014 to explore possible marketing opportunities and engage in trading activities with new customers in the United Kingdom, Ireland and other European countries.

Capital Structure:

The issued, subscribed and paid-up share capital of SPUK is GBP160,000 divided into 160,000 equity shares of face value of GBP1 each.

Shareholding Pattern:

Name of Shareholder	Number of equity shares	Percentage of issued capital
S.P. Apparels Limited	160,000	100%
Total	**160,000**	**100%**

Financial Information

(in ₹ million, unless otherwise stated)

Particulars	For the period ended*	
	March 31, 2016	**March 31, 2015**
Equity capital	15.75	0.95
Reserves (excluding revaluation reserves) and surplus	(13.13)	-
Sales/Turnover (income, excluding other income)	20.02	-
Profit/(Loss) after tax	(12.85)	-
Earnings per share (face value ₹10) (basic) (in ₹)	(80.31)	-

Particulars	For the period ended*	
	March 31, 2016	March 31, 2015
Earnings per share (face value ₹10) (diluted) (in ₹)	-	-
Book value per equity share (in ₹)	16.37	95

* *SPUK was incorporated on November 10, 2014 (i.e., in FY 2015) and accordingly no prior financial information is available.*

Revenue or Profit or Asset Contribution

There is no Subsidiary which has contributed more than 5% of revenue or profits or assets of our Company on a consolidated basis in the last period of Restated Financial Statements included in this Prospectus, i.e., for the Fiscal Year 2016.

Significant Sale/Purchase between Subsidiaries and our Company

Except as disclosed in the section "*Related Party Transactions*" on page 173, none of our Subsidiaries is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Common Pursuits

Except as disclosed in the sections "*Our Business*" and "*Related Party Transactions*" on pages 122 and 173 respectively, there are no common pursuits between our Company and the Subsidiaries.

Business Interest between our Company and the Subsidiaries

Except as disclosed in the sections "*Our Business*" and "*Related Party Transactions*" on pages 122 and 173 respectively, none of the Subsidiaries have any business interest in our Company.

Associates

Our Company holds more than 20% of the total share capital of Gayathri Sustainable Energies India Private Limited ("**Gayathri Sustainable Energies**"). However, our Company does not have significant influence over Gayathri Sustainable Energies and we have no power to participate in or control the financial and/or operating policy decisions of Gayathri Sustainable Energies and therefore, it has not been included as our associate company under relevant Accounting Standards. Gayathri Sustainable Energies may be considered as our associate company pursuant to the Companies Act, 2013.

Our Company has entered into a power purchase agreement with Gayathri Sustainable Energies for the purchase of 10.5 million units of power per annum at a tariff determined with reference to the base tariff charged by Tamil Nadu Generation and Distribution Company Board.

Summary of Certain Agreements

In this section, unless otherwise defined or the context requires otherwise, defined terms used in the descriptions below have the meanings given to such terms under the respective agreements.

Subscription and Shareholders' Agreements

1. *Share Subscription and Shareholders' Agreement among our Company, the Promoters and NYLIM India Fund II dated October 26, 2006 and as amended pursuant to the Amendment Agreement dated December 23, 2015 (the "**SSSA**")*

Pursuant to the SSSA, NYLIM India Fund II was issued 1,800,000 Equity Shares of our Company constituting 10.71% of the Equity Share capital of our Company, for an aggregate consideration of ₹360 million. For more information, see the section "*Capital Structure – Notes to Capital Structure – Details of the build-up of Equity Share capital held by the Selling Shareholder in our Company*" on page 70.

The SSSA provides certain rights to NYLIM India Fund II, including (i) tag-along rights in the event of transfer of Equity Shares by our Promoters as long as NYLIM India Fund II holds not less than 5% of the Equity Shares and if the Promoters propose to transfer any of their Equity Shares aggregating to 10% or more of the Equity Share capital of our Company and (ii) certain anti-dilution rights. NYLIM India Fund II also has the right to appoint one nominee Director to our Board and on every Committee of the Board, until the admission of the Equity Shares to the official list of a recognized stock exchange ("**Listing**"), who is not liable to retire by rotation.

In addition, certain reserved matters require the affirmative written consent of NYLIM India Fund II. The reserved matters include, *inter alia*

- change of business of our Company or any member of the Company group;
- any change in capital structure of our Company or our Subsidiaries;
- creation of new subsidiaries or affiliates (as defined in the SSSA), or entering into any joint venture, partnership or technology transfer agreements;
- alteration of the Memorandum of Association or the Articles of Association of our Company or its Subsidiaries;
- incurring indebtedness, which may result in our Company's long term debt to equity ratio exceeding 2.5:1 and the total debt to equity ratio exceeding 3.5:1; and
- issuance of employee stock options and/or sweat equity or similar schemes in respect of our Company or its Subsidiaries.

Pursuant to the terms of the SSSA, all of these above preferential rights, including the right of any Shareholder to appoint a nominee director to the Board, will automatically terminate with effect from the date of Listing and commencement of trading of our Equity Shares on the Stock Exchanges.

2. Investment Agreement dated March 18, 2013 between Euro Asia Agencies Limited and our Company

Pursuant to the Investment Agreement, Euro Asia was issued 7,249,454 6% CCPS which would be converted into Equity Shares at a price of ₹210 per CCPS after a period of 36 months from the date allotment but within a period of 60 months of allotment. Pursuant to a resolution of the Board dated June 26, 2015 and the waiver by Euro Asia of the 36 months conversion period pursuant to a letter dated April 2, 2015, the CCPS were converted into 345,212 Equity Shares. Further, pursuant to the letter dated April 2, 2015, the Investment Agreement was terminated. For more information, see the section "*Capital Structure – Notes to Capital Structure – Preference Share Capital*" on page 67.

Acquisition Agreements

*1. Share Transfer Agreement dated May 24, 2006 among Shivarams Associates Private Limited, Venkatesh Sivaraman, our Company and CPPL and Memorandum of Understanding dated May 24, 2006 among CIPL, CPPL, Shivarams Associates Private Limited and our Company (together, the "**CPPL Agreements**")*

Pursuant to the CPPL Agreements, our Company purchased 114,000 equity shares of CPPL constituting 60.14% of the equity share capital of CPPL from Shivarams Associates Private Limited. Pursuant to the terms of the CPPL Agreements, management control of CPPL was transferred to our Company and our Company agreed to invest ₹130,000,000 in CPPL over a period of three years from June 2006. Further, our Company is subject to the rights and obligations imposed on Shivarams Associates Private Limited under the technology license agreement dated April 26, 1994, as amended from time to time, pursuant to which CIPL granted a license to CPPL to use the 'Crocodile' brand in India. For details on the terms of the technology license agreements applicable to our Company, see the section "*History and Certain Corporate Matters – Summary of Certain Agreements – Other Material Agreements*" on page 153.

Other Material Agreements

1. *Slump Sale Agreement dated July 31, 2015 between our Company and Poornam Enterprises Private Limited ("the "**Slump Sale Agreement**")*

Certain of our company owned and operated stores in relation to the 'Crocodile' brand were taken on lease by Poornam. Pursuant to the Slump Sale Agreement, Poornam has transferred its retail business to our Company including such properties and certain liabilities (including the term loan availed by Poornam from Muthoot Fincorp Limited to the extent of ₹30 million) with effect from August 1, 2015. For further details, see the section "*Financial Indebtedness*" on page 309.

2. *Sub-License Agreement dated March 31, 2015 between our Company and CPPL*

Pursuant to the terms of the technology license agreement dated April 26, 1994, as amended, our Subsidiary, CPPL has been provided an exclusive license by CIPL (valid until July 31, 2021) to manufacture, distribute and market products in India under the 'Crocodile' brand for adult menswear limited to shirts, polo shirts, t-shirts, trousers, jeans, sweaters, jackets and adult men's innerwear limited to vests, briefs, boxer shorts in India. Under the above technology license agreement, CPPL is required to pay CIPL, the following royalty in relation to the license provide by CIPL to CPPL for the 'Crocodile' brand:

For the period from: (i) August 1, 2014 to July 31, 2015, 4.5% on the net sales of the 'Crocodile' products sold by CPPL or ₹9.65 million, whichever is higher and; (ii) August 1, 2015 to July 31, 2016, 5% on the net sales of the 'Crocodile' products sold by CPPL or ₹12.22 million, whichever is higher.

In accordance with the terms of the above agreement, CPPL has paid royalty to CIPL amounting to ₹16.40 million, ₹5.34 million and ₹4.74 million for the Fiscal Years 2016, 2015 and 2014, respectively.

Pursuant to an agreement dated March 31, 2015, CPPL has exclusively sub-licensed the right to manufacture, distribute and market products under the 'Crocodile' brand in India as mentioned above to our Company commencing from October 1, 2015 until July 31, 2021. Under such sub-license agreement, our Company is required to pay CPPL, the following royalty based on the net sales of the 'Crocodile' products:

For the period from October 1, 2015 to July 31, 2017, 3% on the net sales of the 'Crocodile' essential wear products or ₹12.90 million, whichever is higher and 6% on the net sales of the other 'Crocodile' branded garments or ₹13.70 million, whichever is higher.

In accordance with the terms of the above agreement, the Company has paid royalty of ₹7.20 million to our Subsidiary, CPPL for the period from October 2015 until March 2016.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. Currently our Company has eight Directors.

The following table sets forth details regarding the Board as on the date of this Prospectus:

Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships
Mr. P. Sundararajan ***Designation***: Chairman and Managing Director ***Term***: Five years from November 21, 2015 ***DIN***: 00003380 ***Occupation***: Business ***Nationality***: Indian ***Address***: 192, East Sambandam Road R.S. Puram Coimbatore – 641 002 Tamil Nadu India	60	Private Companies: 1. Crocodile Products Private Limited 2. Poornam Enterprises Private Limited Foreign Companies: 1. S.P. Apparels (UK) (P) Limited Partnerships: 1. S.P. Lifestyles
Mrs. S. Latha ***Designation***: Executive Director ***Term***: Five years from August 16, 2011 ***DIN***: 00003388 ***Occupation***: Business ***Nationality***: Indian ***Address***: 192, East Sambandam Road R.S. Puram Coimbatore – 641 002 Tamil Nadu India	52	Private Companies: 1. Crocodile Products Private Limited Partnerships: 1. S.P. Lifestyles
Mr. S. Chenduran ***Designation***: Whole-time Director ***Term***: Five years from April 1, 2015 ***DIN***: 03173269 ***Occupation***: Business ***Nationality***: Indian ***Address***: 192, East Sambandam Road R.S. Puram Coimbatore – 641 002 Tamil Nadu India	27	Private Companies: 1. Poornam Enterprises Private Limited Partnerships: 1. S.P. Lifestyles

Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships
Mr. V. Sakthivel ***Designation***: Non-Executive, Independent Director ***Term***: Five years from March 30, 2015 ***DIN***: 00005720 ***Occupation***: Chartered Accountant ***Nationality***: Indian ***Address***: No. 186 C Lakshmi Road Salem – 636 004 Tamil Nadu India	66	Private Companies: 1. Crocodile Products Private Limited 2. S.P. Spinning Mills Private Limited 3. S.P. Superfine Cotton Mills Private Limited
Mr. Srinivas Chidambaram ***Designation***: Nominee, Non-Executive Director ***Term***: Not liable to retire by rotation ***DIN***: 00514665 ***Occupation***: *Professional* ***Nationality***: Indian ***Address***: S-283, Ground Floor Greater Kailash – II New Delhi – 110 048 India	50	Private Companies: 1. Financial Software and Systems Private Limited 2. Jacob Ballas Capital India Private Limited 3. Trianz Holdings Private Limited Public Companies: 1. Religare Finvest Limited 2. SRL Limited
Mr. P. Yesuthasen ***Designation***: Non-Executive, Independent Director ***Term***: Five years from September 30, 2015 ***DIN***: 00767702 ***Occupation***: Forex Consultant ***Nationality***: Indian ***Address***: 4-B, Cross Street Srinagar Colony Chennai Tamil Nadu – 600 015	70	Private Companies: 1. Phaeros IT India Private Limited 2. Gist Advisory Private Limited 3. Bloom Plantation and Resort Private Limited 4. Flourish Plantation Resort Private Limited Public Companies: 1. Tamilnad Mercantile Bank Limited
A.S. Anandkumar ***Designation***: Independent, Non-Executive Director ***Term***: Five years from November 13, 2015 ***DIN***: 00058292 ***Occupation***: Business ***Nationality***: Indian ***Address***: 502, Glen Egle	68	Private Companies: 1. Value Vision Consultants Private Limited 2. V V Corporate Financial Services Private Limited 3. Chakee Capital Management Private Limited Public Companies: 1. Sujana Towers Limited

Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships
Tata Colony Parel Tank Road, Parel Mumbai – 400 012 Maharashtra India		
G. Ramakrishnan ***Designation***: Independent, Non-Executive Director ***Term***: Five years from November 13, 2015 ***DIN***: 06552357 ***Occupation***: Retired IAS Officer ***Nationality***: Indian ***Address***: No.10, 11th Avenue Ashok Nagar Chennai – 600 083 Tamil Nadu India	70	Private Companies: 1. DNP Motors Private Limited 2. NDVN Properties Private Limited

Relationship between the Directors

Name of the Director	Relationship
Mrs. S. Latha	Wife of Mr. P. Sundararajan
Mr. S. Chenduran	Son of Mr. P. Sundararajan and Mrs. S. Latha

Except as stated above, none of the Directors are related to each other.

Arrangement or Understanding with Major Shareholders

Mr. P. Sundararajan has been appointed as the Managing Director of our Company pursuant to the resolution of the Shareholders dated September 30, 2015.

One of our Directors, Mr. Srinivas Chidambaram, has been nominated to the Board by our Shareholder, NYLIM India Fund II, pursuant to the SSSA. For further details, see the section "*History and Certain Corporate Matters – Summary of Key Agreements – Subscription and Shareholders' Agreements*" on page 151.

Except as stated above, none of the Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Brief Biographies

1. *Mr. P. Sundararajan*

Mr. P. Sundararajan is the Chairman and Managing Director of our Company. He was appointed as a Director on November 18, 2005, as the Managing Director of our Company on November 21, 2005, and was re-appointed as the Managing Director of our Company with effect from November 21, 2015. He holds a Bachelor of Science degree from the Bangalore University. Mr. Sundararajan has approximately 31 years of experience in the textile and apparel industry. He is currently the managing director of Crocodile Products Private Limited and a director of Poornam Enterprises Private Limited. He is also the managing partner of S.P. Lifestyles. He was also a partner in certain other partnership firms carrying on business in the purchase and sale of cloth, since 1983.

2. ***Mrs. S. Latha***

Mrs. S. Latha is an Executive Director. She was appointed as a non-executive Director on November 18, 2005, and was re-appointed as an Executive Director with effect from August 16, 2006. She has completed education up to higher secondary school. She has approximately 24 years of experience in the textile and apparel industry. She is currently a director of Crocodile Products Private Limited. She is currently a partner in the partnership firm, S.P. Lifestyles. She was also a partner in a partnership firm carrying on business in the purchase and sale of cloth since 1991.

3. ***Mr. S. Chenduran***

Mr. S. Chenduran is a Whole-time Director. He was appointed as a Director of our Company on March 30, 2015. He holds a Masters of Science in Business and Management from the University of Strathclyde, United Kingdom. He has approximately three years of experience in the textile and apparel industry. He is currently the director of operations for the processing division of our Company and is involved in promoting retail sales and development of digital marketing of the products of our Company. He is currently a director of Poornam Enterprises Private Limited and a partner in the partnership firm, S.P. Lifestyles.

4. ***Mr. V. Sakthivel***

Mr. V. Sakthivel is an Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on January 30, 2006 and was appointed as an Independent Director of our Company on March 30, 2015. He holds a Bachelor of Commerce degree from the University of Madras. He is a qualified Chartered Accountant and Certified Information Systems Auditor. He has approximately 40 years of experience in the fields of commerce and accountancy. He has previously worked with Thriveni Earth Movers Private Limited as the director of finance.

5. ***Mr. Srinivas Chidambaram***

Mr. Srinivas Chidambaram is a Nominee, Non-Executive Director of our Company. He was appointed as a Director of our Company on November 15, 2006 and was reappointed as a Nominee Director on July 24, 2013. He holds a Bachelor of Commerce degree from the University of Kerala. He is a qualified Chartered Accountant. He has approximately 26 years of experience mainly in the fields of financial services and investment related activities. He joined Jacob Ballas Capital Private Limited in 2005 and is currently its managing director. He has previously worked with SRF Limited, SRF Finance Limited, HSBC Private Equity Management Mauritius Limited, HSBC Private Equity Asia Limited, Hong Kong and DSL Software Limited.

6. ***Mr. P. Yesuthasen***

Mr. P. Yesuthasen is an Independent Director of our Company. He was appointed as a Director of our Company on August 28, 2015. He holds a Masters of Business Administration degree from Cass Business School, London and a Master of Arts degree in Public Administration from Madras Christian College. He has approximately 40 years of experience in the field of banking. He is currently a whole-time director of Phaeros IT India Private Limited. He has previously worked with the Reserve Bank of India.

7. ***Mr. A.S. Anandkumar***

Mr. A.S. Anandkumar is an Independent Director of our Company. He was appointed as a Director of our Company on November 13, 2015. He holds a Masters of Science degree in Mathematics from the University of Madras. He is also a certified Associate of the Indian Institute of Bankers. He has approximately 43 years of experience in the field of banking. He is currently the managing director of Value Vision Consultants Private Limited. He has previously worked with Meghraj Financial Services (India) Private Limited, India Securities Limited and the State Bank of India.

8. ***Mr. G. Ramakrishnan***

Mr. G. Ramakrishnan is an Independent Director of our Company. He was appointed as an Independent Director of our Company on November 13, 2015. He holds a post-graduate degree from St. John's College, Palayamcottai. He has approximately 38 years of experience in government service, including as Collector, Cuddalore and Villupuram District, Secretary to the Chief Minister, State Information Commissioner (RTI) and Trustee of the Sriram Education Trust (appointed by the High Court of Madras).

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Prospectus, whose shares have been or were suspended from being traded on the Stock Exchanges.

None of our Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India.

No relative of any of the Directors has been appointed to an office or place of profit in our Company or its Subsidiaries.

Terms of Appointment of the Executive Directors

Mr. P. Sundararajan

Mr. P. Sundararajan was appointed as the Managing Director of our Company with effect from November 21, 2005 for a period of five years pursuant to a resolution adopted by our Shareholders on November 21, 2005. He was reappointed as the Managing Director of our Company for a period of five years pursuant to a resolution adopted by our Shareholders on September 30, 2015.

The following are the terms of remuneration of Mr. P. Sundararajan as the Managing Director of our Company with effect from November 21, 2015:

Particulars	Remuneration
Basic Salary	₹700,000 per month plus other employee benefits of our Company, including contribution to provident fund, superannuation fund or annuity fund and gratuity as per the rules of our Company
Commission	-
Perquisites	• Company maintained car with driver for official and personal use • Free landline telephone facility at residence with free mobile telephone facility
Others	• Leave and encashment of unavailed leave as per the rules of our Company • Reimbursement of entertainment expenses actually and properly incurred in the course of business of our Company

Mrs. S. Latha

Mrs. S. Latha was appointed as an Executive Director of our Company with effect from August 16, 2006 pursuant to a resolution adopted by our Shareholders on August 16, 2006. She was reappointed as an Executive Director of our Company for a period of five years from August 16, 2011 pursuant to a resolution adopted by our Shareholders on September 30, 2011.

The following are the terms of remuneration of Mrs. S. Latha as the Executive Director of our Company:

Particulars	Remuneration
Basic Salary	₹300,000 per month plus contribution to provident fund, superannuation fund or annuity fund and gratuity as per the rules of our Company
Commission	Subject to the provisions of the Companies Act, as determined by the Board at the end of each financial year
Perquisites	• Accommodation or house rent allowance • Reimbursement of utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, medical reimbursement/allowance, club fees, leave travel concession, medical and accident insurance in accordance with our Company's policies • Company maintained car with driver for official and personal use • Telecommunication facilities at residence
Others	• Leave and encashment of unavailed leave as per the rules of our Company

Mr. S. Chenduran

Mr. S. Chenduran was appointed as a Whole-time Director of our Company for a period of five years with effect from April 1, 2015 pursuant to a resolution adopted by our Shareholders on March 30, 2015.

The following are the terms of remuneration of Mr. S. Chenduran as an Executive Director of our Company:

Particulars	Remuneration
Basic Salary	₹100,000 per month plus other employee benefits of our Company, including contribution to gratuity as per the rules of our Company
Commission	-
Perquisites	• Provision of car for use on Company's business • Free landline telephone facility at residence along with free mobile and telephone facility
Others	• Encashment of leave at the end of his tenure • Reimbursement of entertainment expenses actually and properly incurred in the course of business of our Company

Payment or Benefit to Directors

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company.

The sitting fees/other remuneration paid to the Directors for Fiscal 2016 are as follows:

1. ***Remuneration to Executive Directors***

The aggregate value of remuneration paid to the Executive Directors of our Company during Fiscal 2016 is as follows:

S. No.	Name of Director	Remuneration Paid (₹ in million)
1.	Mr. P. Sundararajan	8.4
2.	Mrs. S. Latha	3.6
3.	Mr. S. Chenduran	1.2

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

The details of the sitting fees and other payments paid to the Non-Executive Directors of our Company during Fiscal 2016 are as follows:

S. No.	Name of Director	Remuneration Paid (₹)
1.	Mr. Srinivas Chidambaram	Nil
2.	Mr. V. Sakthivel	100,000
3.	Mr. P.Yesuthasen	60,000
4.	Mr. A.S. Anandkumar	50,000
5.	Mr. G. Ramakrishnan	30,000

No remuneration has been paid, or is payable, to the Directors by the Subsidiaries.

Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Prospectus.

Service Contracts entered into with the Directors

Our Company has not entered into any service contracts, pursuant to which, the Directors are entitled to benefits upon termination of employment.

Bonus or Profit-Sharing Plan with the Directors

None of our Directors are a party to any bonus or profit sharing plan by our Company.

Shareholding of the Directors

The Articles of Association do not require the Directors to hold any qualification Equity Shares in our Company. The following are the details of the shareholding of the Directors as of the date of this Prospectus:

Equity Shares

S. No.	Name of the Director	No. of Equity Shares Held	% of Pre-Offer Share Capital
1.	Mr. P. Sundararajan	119,800,00	69.87
2.	Mrs. S. Latha	3,000,000	17.50
3.	Mr. S. Chenduran	5,000	0.03
	Total	**14,985,000**	**87.40**

Redeemable Preference Shares

S. No.	Name of the Director	No. of RPS Held
1.	Mr. P. Sundararajan	10,000,000
2.	Mrs. S. Latha	10,000,000
	Total	20,000,000

For details of shareholding of our Directors in the Subsidiaries, see the section "*History and Certain Corporate Matters – Our Subsidiaries*" on page 149.

Borrowing Powers of the Board

In accordance with the Articles of Association, subject to the provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, the directors may from time to time at their discretion, by resolution adopted at the meeting of the Board, accept deposit from the Shareholders or public or others either in advance or calls, or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company not exceeding the aggregate of the paid-up Share Capital of the Company and its reserves. Provided, however, where the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aforesaid aggregate, the Directors shall not borrow such monies without the consent of the Company in a general meeting by means of special resolution. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking or the whole or any part of the property of the Company (both present and future).

Pursuant to a special resolution of the Shareholders adopted at the annual general meeting held on September 30, 2014, the Board has been authorized to borrow, from time to time, for the purposes of the businesses of the Company either in Indian currency and/or in foreign currency, as may be deemed necessary, up to an aggregate amount of ₹6,000 million apart from temporary loans obtained from the Company's bankers in the ordinary course of business, exceeding the paid-up share capital, free reserves and securities premium account of our Company.

As on the date of filing of this Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013. The Board, may, from time to time, at its discretion, borrow money in accordance with the provisions of the Companies Act, 2013.

Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance. The Board and the committees have been constituted in compliance with the Companies Act and the Listing Regulations.

The Board functions either as a full board or through various committees constituted to oversee specific areas. Our Company's executive management periodically provides the Board with detailed reports on its management.

Currently the Board has eight Directors, of which the Chairman is an executive Director. In compliance with the requirements of the Listing Regulations, we have three executive Directors, including one woman Director and five non-executive Directors, including four independent Directors, on the Board.

Committees of the Board

The Committees of the Board include the following committees constituted in accordance with the Listing Regulations and the Companies Act, 2013:

1. *Audit Committee*

    The members of the Audit Committee are:

    1. Mr. V. Sakthivel (Chairman and Independent Director);
    2. Mr. A.S. Anandkumar (Independent Director); and
    3. Mr. P. Yesuthasen (Independent Director)

    The Audit Committee was constituted by the Board at its meeting held on March 27, 2006. The Audit Committee was last reconstituted by the Board at its meeting held on December 28, 2015. The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations.

    Pursuant to the Listing Regulations, the powers of the Audit Committee also include the power to:

    a. Investigate any activity within its terms of reference;

    b. Seek information from any employee;

    c. Obtain outside legal or other professional advice; and

d. Secure attendance of outsiders with relevant expertise, if it considers necessary.

Pursuant to the Listing Regulations, the Audit Committee will mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

c. Management letters/letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses; and

e. Appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is required to meet at least four times in a year under the Listing Regulations.

2. *Borrowing and Bank Operations Committee*

The members of the Borrowing and Bank Operations Committee are:

1. Mr. P. Sundararajan (Chairman);
2. Mr. S. Chenduran; and
3. Mr. V. Sakthivel (Independent Director).

The Finance and Bank Account Committee and the Borrowing Committee of the Company were merged to constitute the Borrowing and Bank Operations Committee by the Board at its meeting held on February 29, 2016.

3. *Nomination and Remuneration Committee*

The members of the Nomination and Remuneration Committee are:

1. Mr. G. Ramakrishnan (Chairman and Independent Director);
2. Mr. V. Sakthivel (Independent Director); and
3. Mr. P. Yesuthasen (Independent Director).

The Nomination and Remuneration Committee was constituted by the Board at its meeting held on July 27, 2007. The Nomination and Remuneration Committee was last reconstituted by the Board at its meeting held on December 28, 2015. The terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

4. *Stakeholders Relationship Committee*

The members of the Stakeholders Relationship Committee are:

1. Mr. V. Sakthivel (Chairman and Independent Director);
2. Mrs. S. Latha; and
3. Mr. S. Chenduran.

The Stakeholders Relationship Committee was constituted by the Board at its meeting held on June 26, 2015. The Stakeholders Relationship Committee was last reconstituted by the Board at its meeting held on November 13, 2015. The terms of reference of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

5. *Corporate Social Responsibility Committee*

The members of the Corporate Social Responsibility Committee are:

1. Mr. P. Sundararajan (Chairman);
2. Mrs. S. Latha; and
3. Mr. V. Sakthivel (Independent Director).

The Corporate Social Responsibility Committee was constituted by the Board at its meeting held on June 25, 2014. The Corporate Social Responsibility Committee was last reconstituted by the Board at its meeting held on November 13, 2015. The terms of reference of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013.

6. *Vigil Mechanism Committee*

The members of the Vigil Mechanism Committee are:

1. Mr. V. Sakthivel (Chairman and Independent Director);
2. Mr. P. Sundararajan; and
3. Mr. S. Chenduran.

The Vigil Mechanism Committee was constituted by the Audit Committee at its meeting held on June 25, 2014. The Vigil Mechanism Committee was reconstituted on November 13, 2015. The terms of reference of the Vigil Mechanism Committee are in accordance with the Listing Regulations.

7. *Risk Management Committee*

The members of the Risk Management Committee are:

1. Mr. P. Sundararajan (Chairman); and
2. Mr P. Yesuthasen (Independent Director); and
3. Mr. S. Chenduran.

The Risk Management Committee was constituted by the Board at its meeting held on August 28, 2015. The terms of reference of the Risk Management Committee are in accordance with the Listing Regulations.

8. *Allotment Committee*

The members of the Allotment Committee are:

1. Mr. P. Sundararajan (Chairman);
2. Mrs. S. Chenduran; and
3. Mr. V. Sakthivel (Independent Director).

The Allotment Committee was constituted by the Board at its meeting held on August 28, 2006. The Allotment Committee was last reconstituted by the Board at its meeting held on November 13, 2015.

9. *Investment Committee*

The members of the Investment Committee are:

1. Mr. P. Sundararajan (Chairman);
2. Mr. S. Chenduran; and
3. Mr. V. Sakthivel (Independent Director).

The Investment Committee was constituted by the Board at its meeting held on June 26, 2015.

In addition, the Board has also constituted an IPO Committee consisting of Mr. P. Sundararajan (Chairman), Mr. V. Sakthivel and Mr. S. Chenduran, on December 28, 2015, which is authorized to do all such acts, deeds and things as may be required in connection with the IPO activities.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them. Further, the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by them with any company in which they hold directorships or any partnership firm in which they are partners.

All the Directors may also be deemed to be interested to the extent of Equity Shares or other securities, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Offer in terms of this Prospectus and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares or other securities.

Except as stated in the section "*Our Business – Properties*" on page 132, the Directors have no interest in any property acquired or leased by our Company within two years from the date of this Prospectus or proposed to be acquired or leased by our Company as of the date of this Prospectus.

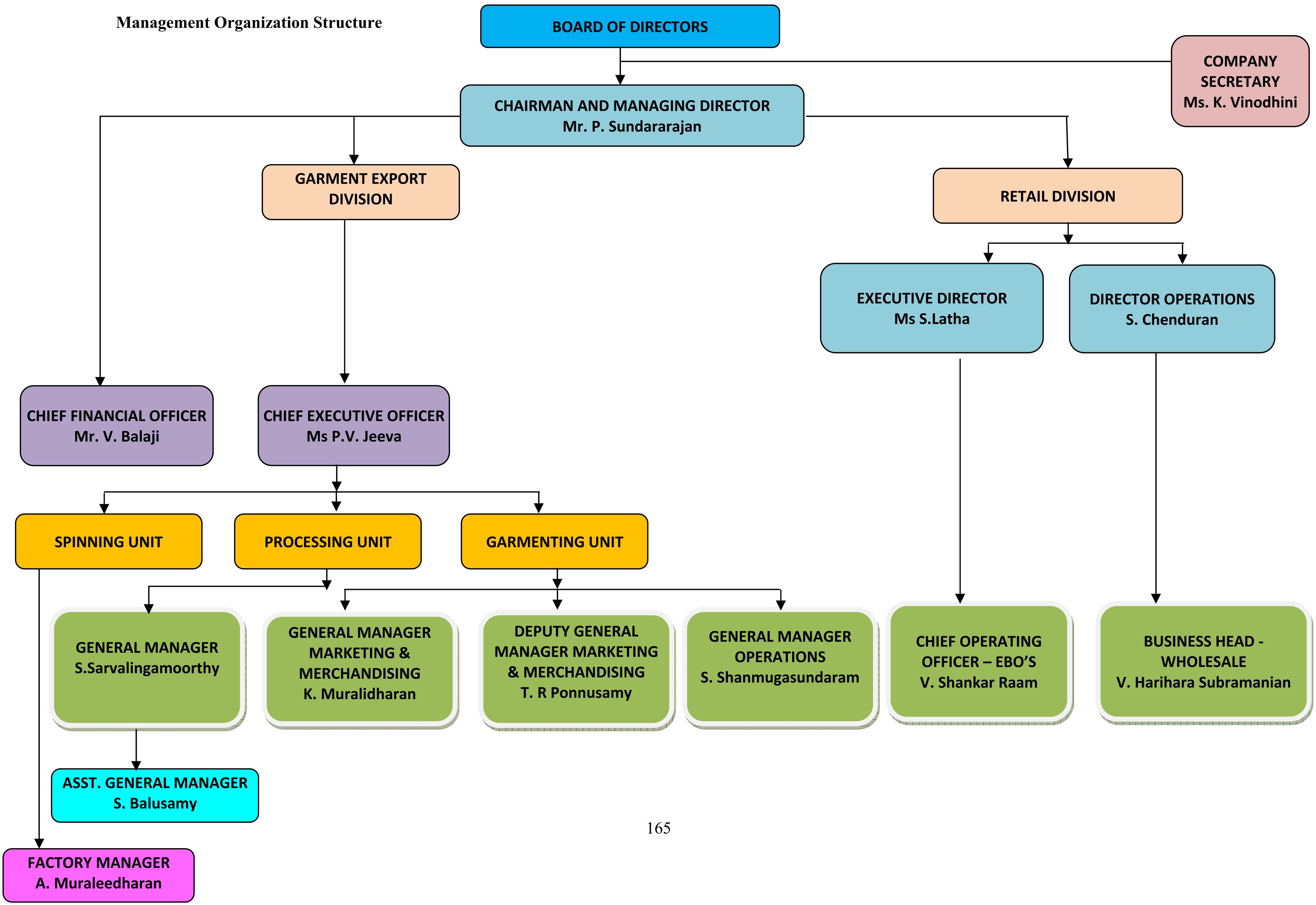
Except as stated in the sections "*Capital Structure*" and "*Our Promoter, Promoter Group and Group Entities*" on pages 66 and 170, respectively, the Directors do not have any other interest in the promotion of our Company.

Except as stated in the sections "*Related Party Transactions*" and "*Financial Indebtedness*" on pages 173 and 309 and described herein, the Directors do not have any other interest in our business.

Changes in the Board during the Last Three Years

Name	Date of Appointment/Cessation	Reason
Mr. Srinivas Chidambaram	July 24, 2013	Change in designation
Mrs. S. Shantha	March 5, 2015	Resignation
Mr. S. Chenduran	March 30, 2015	Appointment
Mr. V. Sakthivel	March 30, 2015	Change in designation
Mr. V. Senthil	March 30, 2015	Appointment
Mr. P. Yesuthasen	August 28, 2015	Appointment
Mr. P. Velusamy	September 30, 2015	Resignation
Mr. P. Ashokaraman	September 30, 2015	Resignation
Mr. V. Senthil	November 13, 2015	Resignation
Mr. A.S. Anandkumar	November 13, 2015	Appointment
Mr. G. Ramakrishnan	November 13, 2015	Appointment

Management Organization Structure



Key Management Personnel

The details of the key management personnel, in addition to the Managing Director of our Company, Executive Director of our Company and Whole-time Director of our Company, as of the date of this Prospectus are as follows:

- ***Mrs. P.V. Jeeva***

  Mrs. P.V. Jeeva, aged 48 years, is the Chief Executive Officer of the garments division of our Company. She has been associated with our Company since July 1, 1986. She holds a diploma in textile processing from GRG Polytechnic College, Coimbatore. She has approximately 30 years of experience in the textile and apparel industry. Pursuant to the terms of her employment agreement with the Company, the remuneration payable to her for the Fiscal Year 2017 is ₹6.00 million. The remuneration paid to her during Fiscal Year 2016 was ₹3.09 million.

- ***Mr. V. Balaji***

  Mr. V. Balaji, aged 46 years, is the Chief Financial Officer of our Company. He has been associated with our Company since May 2, 2012. Mr. Balaji is a qualified Chartered Accountant. He has 16 years of experience in the field of finance and accounts. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹3.00 million. The remuneration paid to him during Fiscal Year 2016 was ₹1.47 million.

- ***Ms. K. Vinodhini***

  Ms. K. Vinodhini, aged 28 years, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since December 17, 2015. She holds a Bachelor of Commerce degree from Bharatiar University. She is a qualified Company Secretary. She has over one year of experience in the field of company secretarial functions. Prior to joining our Company, Ms. K. Vinodhini was the company secretary of Thriveni Earth Movers Private Limited from 2010 to 2011. Pursuant to the terms of her employment agreement with the Company, the remuneration payable to her for the Fiscal Year 2017 is ₹1.36 million per annum. The remuneration paid to her during Fiscal Year 2016 was ₹0.13 million.

- ***Mr. V. Shankar Raam***

  Mr. V. Shankar Raam, aged 48 years, is the Chief Operating Officer of the retail division (EBO) of our Company. He has been associated with our Company since July 1, 2015. Mr. Shankar Raam holds a Bachelor of Commerce degree from CBM College, Bharatiyar University and a Master of Business Administration degree from the IIBM Institute of Business Management. Prior to joining our Company, Mr. Shankar Raam was the chief financial officer INMARK Retail Private Limited. Prior to that, he had worked with S. Kumars Nationwide Limited, Indus League, Gokaldas Intimatewear Private Limited, Harrisons Malayalam Limited and Mafatlal SA Intex Limited. He has approximately 21 years of experience in the fields of finance, accounts and marketing. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹3.00 million per annum. The remuneration paid to him during Fiscal Year 2016 was ₹1.34 million.

- ***Mr. V. Harihara Subramaniam***

  Mr. V. Harihara Subramaniam, aged 46 years, is the Business Head (Wholesale) of the retail division of our Company. He has been associated with our Company since February 9, 2015. Mr. Subramaniam holds a Bachelor of Commerce degree from the University of Madras and a Master of Business Administration degree from Bharatidasan University. Prior to joining our Company, he has worked at Hindustan Coca-Cola Marketing Company Private Limited, Seven-Up Bottling Company PLC and Pearl Beverages Limited. He has approximately 13 years of experience in the field of marketing. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹5.62 million. The remuneration paid to him during Fiscal Year 2016 was ₹4.68 million.

- ***Mr. K. Muralidharan***

  Mr. K. Muralidharan, aged 48 years, is the General Manager (Marketing and Merchandising) of the garments division of our Company. He has been associated with our Company since January 6, 1993. Mr. Muralidharan holds a diploma in mechanical engineering from VLB Janaki Ammal Polytechnic, Coimbatore. He has approximately 22 years of experience in the field of marketing. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹1.51 million. The remuneration paid to him during Fiscal Year 2016 was ₹1.26 million.

- ***Mr. T.R. Ponnusamy***

  Mr. T.R. Ponnusamy, aged 41 years, is the Deputy General Manager (Marketing and Merchandising) of the garments division of our Company. He has been associated with our Company since September 23, 1996. Mr. Ponnusamy holds a Bachelor of Commerce degree from Bharatiar University, Coimbatore. Prior to joining our Company, he has worked with Carona Knit Wear. He has approximately 21 years of experience in the field of marketing. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹1.46 million. The remuneration paid to him during Fiscal Year 2016 was ₹1.22 million.

- ***Mr. S. Shanmugasundaram***

  Mr. S. Shanmugasundaram, aged 40 years, is the General Manager (Operations) of the garments division of our Company. He has been associated with our Company since November 12, 2003. Mr. Shanmugasundaram holds a Bachelor of Technology in textile technology degree from PSG College of Technology, Coimbatore and a Diploma in Management, a Post-Graduate Diploma in Management Marketing and a Post-Graduate Diploma in Management from the Indira Gandhi National Open University. He has approximately 18 years of experience in textile industry. Prior to joining our Company, Mr. S. Shanmugasundaram was the Service Engineer in Textile Machinery Division of Voltas Limited. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹1.66 million. The remuneration paid to him during Fiscal Year 2016 was ₹1.38 million.

- ***Mr. S. Sarvalingamurthi***

  Mr. S. Sarvalingamurthi, aged 55 years, is the General Manager (Processing) of the garments division of our Company. He has been associated with our Company since December 21, 2007 and with Poornam since August 16, 2004. Mr. Sarvalingamurthi holds a Bachelor of Engineering degree in Electrical and Electronic Engineering from Anna University. He is an associate member of the Institution of Engineers (India). Prior to joining our Company, he has worked with Nile Soft Drinks Bottling Factory, JM Bottlings Private Limited, Pepsi Cola International Overseas Limited in Sudan, Dee Cee Bottlers Private Limited, Chennai Bottling Company Limited and Tamil Nadu Alloy Foundry Company Limited. He has approximately 37 years of experience in the fields of engineering, manufacturing and operations. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹1.60 million. The remuneration paid to him during Fiscal Year 2016 was ₹1.33 million.

- ***Mr. S. Balusamy***

  Mr. S. Balusamy, aged 38 years, is the Assistant General Manager (Processing) of the garments division of our Company. He has been associated with our Company since December 15, 2006. Mr. Balusamy holds a Bachelor of Technology in degree in Textile Engineering from the Karnataka State Open University and a Diploma in Industrial Relations and Personnel Management and a Diploma in Production Management from the Indian Institute of Management and Technology. He also holds a Diploma in Textile Processing from the State Board of Technical Education and Training. Prior to joining our Company, he has worked with PT Sapta Jaya Textilindo in Indonesia, Defiance Knitting Industries Private Limited, Somany Evergreen Knits Limited and B.J. Textile Processing Limited. He has approximately 20 years of experience in the field of manufacturing and processing. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹1.14 million. The remuneration paid to him during Fiscal Year 2016 was ₹0.95 million.

- ***Mr. A. Muraleedharan***

  Mr. A. Muraleedharan, aged 57 years, is the Factory Manager (Spinning) of the garments division of our Company. He has been associated with our Company since December 12, 2007. Mr. Muraleedharan holds a diploma in textile technology from the State Board of Technical Education and Training. Prior to joining our Company, he has worked with Soundararaja Mills Limited, K.K.P Textiles, K.R.V. Spinning Mills Private Limited, Sambandam Spinning Mills Limited, Shanmugavel Mills Limited, Sree Rajendra Mills Limited, Soundaraja Mills Limited and Dhanalakshmi Mills Limited. He has approximately 36 years of experience in the spinning industry. Pursuant to the terms of his employment agreement with the Company, the remuneration payable to him for the Fiscal Year 2017 is ₹0.67 million. The remuneration paid to him during Fiscal Year 2016 was ₹0.56 million.

All the key management personnel are permanent employees of our Company.

None of the above-mentioned key management personnel are related to each other and neither are they related to our Promoters or Directors. There are no arrangements or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of the key management personnel were selected as members of our senior management.

Shareholding of Key Management Personnel

Except our Directors, none of the key management personnel are Shareholders.

Loans to Key Management Personnel

No loans have been given to any key management personnel of our Company.

Bonus or Profit-Sharing Plan of the Key Management Personnel

There is no profit-sharing plan for the key management personnel of our Company. Our Company makes bonus payments based on their performance, which is in accordance with their terms of appointment.

Interests of Key Management Personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the Equity Shares held, if any. The key management personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Except as disclosed, none of the key management personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Other than as disclosed in the section "*Related Party Transactions*" on page 173, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

Changes in the Key Management Personnel

The changes in the key management personnel in the last three years are as follows:

Name	Designation	Date of Change	Reason for Change
S. Sathiya	Company Secretary	November 13, 2015	Resignation
K. Vinodhini	Company Secretary	December 17, 2015	Appointment

Payment or Benefit to Officers of our Company

Except as stated otherwise in this Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

OUR PROMOTERS, PROMOTER GROUP AND GROUP ENTITIES

Promoters

Mr. P. Sundararajan and Mrs. S. Latha are the Promoters of our Company.

For a complete profile of Mr. P. Sundararajan, i.e., his age, residential address, educational qualifications, professional experience, positions/posts held in the past and other directorships and special achievements, see the section "*Our Management – Board of Directors – Brief Biographies*" on page 156.

His driving license number is TN27 19760000522 and his voter identification number is FJT2405280.

For a complete profile of Mrs. S. Latha, i.e., her age, residential address, educational qualifications, professional experience, positions/posts held in the past and other directorships and special achievements, see the section "*Our Management – Board of Directors – Brief Biographies*" on page 157.

Her driving license number is TN37 19900006589 and her voter identification number is FJT2405298.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters have been submitted to the Stock Exchanges at the time of filing of this Prospectus.

Interest of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares and Redeemable Preference Shares held by them and interest payable on unsecured loan borrowed by our Company from the Promoters. For further information on shareholding of our Promoters in our Company and the borrowings of our Company from the Promoters, see the sections "*Capital Structure*" and "*Financial Indebtedness – Details of Unsecured Borrowings of our Company*" on pages 66 and 320, respectively.

Further, Mr. P. Sundararajan is the Managing Director and Mrs. S. Latha is an executive Director of our Company and may be deemed to be interested to the extent of their remuneration and other compensation provided by our Company. For further details, see the section "*Our Management – Terms of Appointment of Executive Directors*" on page 158.

Except for the related party transactions entered into by our Company as disclosed in this Prospectus, our Company has not entered into any contract, agreements or arrangements which are not in the ordinary course of business during the preceding two years from the date of this Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, see the section "*Related Party Transactions*" on page 173.

Except as stated in the section "*Our Business – Properties*" on page 132, our Promoters have no interest in any property acquired within the two years from the date of the Draft Red Herring Prospectus or proposed to be acquired or leased by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as disclosed in the section "*Related Party Transactions*" on page 173, our Promoters are not related to any debtors of our Company.

Payment of benefits to our Promoters or Promoter Group

Except as stated in the sections "*Related Party Transactions*", "*Our Management*", "*Dividend Policy*" and "*Our Promoters, Promoter Group and Group Entities*" on pages 173, 154, 174 and 170, respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus, nor is there any intention to pay or given any benefit to our Promoters or Promoter Group.

Confirmations

None of our Promoters have been declared as a wilful defaulter by the RBI or any other government authority. Further, there are no violations of securities laws committed by any of our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters and Promoter Group entities have been debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Prospectus against any of our Promoters.

None of our Promoters is and has been a promoter, director or person in control of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

None of our Promoters are interested in any entity which holds any intellectual property rights that are used by our Company.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves as a promoter from any company during the three years preceding the date of the Draft Red Herring Prospectus

Promoter Group

In addition to the Promoters named above, the natural persons who form part of our Promoter Group are set forth below:

S. No.	Name of the Individual	Relationship with our Promoters
1.	S. Chenduran	Son of our Promoters
2.	S. Shantha	Daughter of our Promoters
3.	P. Subramaniam	Brother of Mr. P. Sundararajan
4.	P. Velusamy	Brother of Mr. P. Sundararajan
5.	P. Ashokaraman	Brother of Mr. P. Sundararajan
6.	R. Agilamani	Sister of Mr. P. Sundararajan
7.	M.A. Ramasamy	Father of Mrs. S. Latha
8.	R. Akilamani	Mother of Mrs. S. Latha
9.	R. Senthil Kumar	Brother of Mrs. S. Latha
10.	R. Uma Maheswari	Sister of Mrs. S. Latha
11.	R. Sudha	Sister of Mrs. S. Latha

The companies forming part of the Promoter Group are set forth below:

1. Poornam Enterprises Private Limited
2. S. P. Apparels Hong Kong Company Limited
3. S. P. Superfine Cotton Mills Private Limited

4. Perumal Spinning Mill Private Limited

The partnerships forming part of the Promoter Group are set forth below:

1. S. P Life Style
2. Consue Apparels
3. Four Seasons International
4. Agil Intimates
5. Quality Cottons

The Hindu Undivided Families forming part of our Promoter Group are set forth below:

1. M. A. Ramasamy HUF
2. P. Subramaniam HUF
3. P. Velusamy HUF
4. P. Ashokaraman HUF

Other entities forming part of our Promoter Group are set forth below:

1. Sree Kumaar Textile Corporation
2. Sree Kumaar Texind Corporation

While Mr. P. Shanmugam, Mr. P. Kanagarajan (the brothers of our Promoter, Mr. P. Sundararajan), Mrs. M. Kanagavalli (the sister of our Promoter, Mr. P. Sundararajan) and Mrs. K. Chitra (the sister of our Promoter, Mrs. S. Latha), or an entity in which they may have an interest, are members of our Promoter Group (as defined under Regulation 2(1)(zb) of the SEBI ICDR Regulations) due to their relation with our Promoters, we have not been able to obtain any information or undertakings from such persons or entities, as the case may be, as is customarily obtained in offerings in the nature of the Offer. As such, this Prospectus does not contain any information or undertakings in relation to Mr. P. Shanmugam, Mr. P. Kanagarajan, Mrs. M. Kanagavalli and Mrs. K. Chitra or any entity in which they may have an interest. Further, Mr. P. Shanmugam, Mr. P. Kanagarajan, Mrs. M. Kanagavalli and Mrs. K. Chitra or any entity in which such persons have an interest, do not hold any securities in our Company nor do they have any pecuniary relationship with our Company or its Subsidiaries. These persons or entities will also not be considered as part of our Promoter Group in any future filings by our Company with the Stock Exchanges or other governmental or regulatory authorities or for compliance under the SEBI Act or any regulations issued thereunder including the SEBI ICDR Regulations, the SEBI Takeover Regulations and the Listing Regulations.

Group Entities

Our Board has confirmed that there are no companies that are covered by Accounting Standard 18 and no other companies that are considered material by our Board for identification as ‘Group Entities’ in terms of the SEBI ICDR Regulations and disclosure in this Prospectus. For avoidance of doubt, it is clarified that our Subsidiaries shall not be considered as Group Entities.

Common Pursuits

None of our Promoters have any interest in any venture that is involved in any activities similar to those conducted by our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Financial Years, pursuant to the requirements under Accounting Standard 19 "*Related Party Disclosure*", issued by the Institute of Chartered Accountants of India, see the section "*Financial Statements*" page 175.

DIVIDEND POLICY

Our Company has no formal dividend policy.

No dividends have been declared on the Equity Shares by our Company during the last five years.

However, our dividend history is not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
S.P. APPARELS LIMITED
39-A, Extension Street,
Kaikattipudur, Avinashi – 641654.

Dear Sirs,

1. We have examined the attached restated standalone financial information of S.P. Apparels Limited (the "**Company**") as at and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 , which comprise of the restated standalone assets and liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012, the restated standalone statements of profit and loss and the restated standalone cash flow statements for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 ("**the Restated Standalone Financial Statements**") as approved by the Board of Directors of the Company at their meeting held on June 06, 2016 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) and prepared in terms of the requirements of:

    a) Section 26 of the Companies Act, 2013 ("**the Act**") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**the Rules**"); and

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**SEBI-ICDR Regulations**").

2. We have examined such Restated Standalone Financial Statements taking into consideration

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 31, 2015 in connection with the proposed IPO of the Company and

    b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

3. These Restated Standalone Financial Statements have been compiled by the Management based on the audited standalone financial statements for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 which have been approved by the Board of directors at their meetings held on June 06, 2016, August 28, 2015, September 17, 2014, September 18, 2013 and September 15, 2012 respectively.

4. Based on our examination, we further report that:

    a) The Summary Statement of Restated Assets and Liabilities of the Company as at March 31, 2016, 2015, 2014, 2013 and 2012 as set out in Annexure - 1 to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.

    b) The Summary Statement of Restated Profit and Loss of the Company for the years ended March 31, 2016, 2015, 2014, 2013 and 2012, as set out in Annexure - 2 to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.

    c) The Summary Statement of Restated Cash Flows of the Company for years ended March 31, 2016, 2015, 2014, 2013 and 2012, as set out in Annexure - 3 to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.

d) Based on the above, according to the information and explanations given to us, we are of opinion that the Restated Standalone Financial Statements have been made after incorporating:

(i) Material prior period items as explained in Annexure 4 of these Restated Standalone Financial Statements, have been adjusted to the respective period/years to which such prior period items related;

(ii) Adjustments for the material amounts in the respective financial years to which they relate as explained in Annexure 4 of these Restated Standalone Financial Statements;

(iii) Adjustments for material regrouping of balances to confirm the classifications/grouping and presentation followed for year ended March 31, 2016; and

(iv) Adjustments for qualifications in the Auditor's report as explained in Annexure 4 of these Restated Standalone Financial Statements.

Further there are no extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Statements requiring adjustments

5. We have also examined the following restated financial information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on June 06, 2016 for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.

(i) Annexure 5 – Summary of Significant Accounting Policies and Notes to Accounts

(ii) Annexure 6 - Summary Statement of Share Capital, as restated

(iii) Annexure 7 - Summary Statement of Reserves and Surplus, as restated

(iv) Annexure 8 - Summary Statement of Secured and Unsecured Loans, as restated

(v) Annexure 9 – Summary Statement of Fixed Assets, as restated

(vi) Annexure 10 –Summary Statement of Non-Current Investments, as restated

(vii) Annexure 11 – Summary Statement of Current Investments, as restated

(viii) Annexure 12 – Summary Statement of Trade Receivables, as restated

(ix) Annexure 13 – Summary Statement of Loans and Advances, as restated

(x) Annexure 14 – Summary Statement of Other Current Assets, as restated

(xi) Annexure 15 – Summary Statement of Current Liabilities and Provisions, as restated

(xii) Annexure 16 – Summary Statement of Other Income, as restated

(xiii) Annexure 17 – Summary Statement of Key Operational Income and Expenses, as restated

(xiv) Annexure 18 – Summary Statement of Dividend Paid / Proposed by the Company

(xv) Annexure 19 – Summary Statement of Accounting Ratios

(xvi) Annexure 20 – Statement of Capitalisation, as restated

(xvii) Annexure 21 - Summary Statement of Transactions and Balances with Related Parties, as restated

(xviii) Annexure 22 - Statement of Tax Shelters, as restated

In our opinion, the above financial information contained in Annexures 1 to 22 accompanying this report read along with the Significant Accounting Policies [Refer Annexure 5 (1)] are prepared after making adjustments and regroupings as considered appropriate to confirm the classifications/grouping and presentation followed for the year ended March 31, 2016 and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable; SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

8. Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
ICAI Firm's Registration No. 008072S

C.R. Rajagopal
Partner
Membership No. 23418

AVINASHI, JUNE 06, 2016

S.P. Apparels Limited
Annexure 1: Standalone Summary Statement of Assets and Liabilities, as restated

(Amount in ₹ million)

	Particulars	As at				
		31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
A	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a) Share capital	371.45	440.49	440.49	368.00	368.00
	(b) Reserves and surplus	1,113.09	723.44	624.65	553.14	521.73
		1,484.54	**1,163.93**	**1,065.14**	**921.14**	**889.73**
2	**Non-current liabilities**					
	(a) Long-term borrowings	648.77	693.96	883.71	971.49	1,401.01
	(b) Deferred tax liabilities (net)	372.50	316.88	172.47	121.96	102.25
	(c) Long-term provisions	40.69	15.04	-	-	-
		1,061.96	**1,025.88**	**1,056.18**	**1,093.45**	**1,503.26**
3	**Current liabilities**					
	(a) Short-term borrowings	1,621.54	1,565.89	1,728.29	1,626.12	1,644.72
	(b) Trade payables	1,155.05	1,192.16	1,059.98	1,069.56	883.99
	(c) Other current liabilities	353.10	283.99	419.48	665.50	547.48
	(d) Short-term provisions	104.24	72.26	41.28	26.70	36.38
		3,233.93	**3,114.30**	**3,249.03**	**3,387.88**	**3,112.57**
	TOTAL (A)	**5,780.43**	**5,304.11**	**5,370.35**	**5,402.47**	**5,505.56**
B	**ASSETS**					
1	**Non-current assets**					
	(a) Fixed assets					
	(i) Tangible assets	2,692.05	2,669.44	2,755.13	2,895.44	2,720.27
	(ii) Intangible assets	101.20	15.06	20.32	25.59	30.85
	(iii) Capital work-in-progress	35.65	100.00	-	-	264.59
		2,828.90	2,784.50	2,775.45	2,921.03	3,015.71
	(b) Non-current investments	83.27	69.25	63.74	64.24	64.24
	(c) Long-term loans and advances	269.34	213.27	149.35	102.83	82.52
		3,181.51	**3,067.02**	**2,988.54**	**3,088.10**	**3,162.47**
2	**Current assets**					

Particulars	As at				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
(a) Current investments	1.65	3.19	7.08	9.15	9.20
(b) Inventories	1,297.85	1,088.54	1,265.71	1,270.95	1,239.76
(c) Trade receivables	860.42	761.75	552.54	512.84	569.57
(d) Cash and bank balances	101.43	67.02	143.56	59.77	57.70
(e) Short-term loans and advances	335.02	312.98	404.67	459.28	466.86
(f) Other current assets	2.55	3.61	8.25	2.38	-
	2,598.92	**2,237.09**	**2,381.81**	**2,314.37**	**2,343.09**
TOTAL (B)	**5,780.43**	**5,304.11**	**5,370.35**	**5,402.47**	**5,505.56**

The accompanying summary of restated financial information (Annexures - 5 to 22) forms an integral part of this statement.

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

C.R. Rajagopal
Partner
Membership Number: 23418

Place: Avinashi
Date: June 06, 2016

For and on behalf of the Board of Directors

P. Sundararajan
Managing Director

P. Latha
Executive Director

V. Balaji
Chief Financial Officer

K. Vinodhini
Company Secretary

S.P. Apparels Limited
Annexure 2: Standalone Summary Statement of Profit and Loss, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
REVENUE					
Revenue from operations (gross)	5,368.80	4,757.78	4,521.11	4,292.94	4,013.86
Less: Excise duty	-	-	-	-	1.77
Revenue from operations (net)	**5,368.80**	**4,757.78**	**4,521.11**	**4,292.94**	**4,012.09**
Other income	48.63	66.93	12.19	7.55	13.07
Total revenue	**5,417.43**	**4,824.71**	**4,533.30**	**4,300.49**	**4,025.16**
Expenses					
(a) Cost of materials consumed	2,076.80	1,955.56	1,753.46	1,600.33	1,442.08
(b) Purchases of stock-in-trade (traded goods)	307.63	133.23	115.48	143.36	158.39
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(288.39)	32.72	239.17	(11.34)	(70.52)
(d) Employee benefits expense	1,199.72	990.77	750.86	775.94	735.29
(e) Finance costs	252.44	311.53	355.63	346.28	401.27
(f) Depreciation and amortisation expense	207.15	197.47	175.11	167.84	162.09
(g) Other expenses (including the impact of qualification)	1,180.87	948.53	1,017.95	1,225.87	1,128.33
Total expenses	**4,936.22**	**4,569.81**	**4,407.66**	**4,248.28**	**3,956.93**
Profit / (Loss) before exceptional and extraordinary items and tax	481.21	254.90	125.64	52.21	68.23
Exceptional items [Income / (Expense)](Refer Note 2.2 to Annexure 4)	-	-	-	-	-
Profit / (Loss) before extraordinary items and tax	**481.21**	**254.90**	**125.64**	**52.21**	**68.23**
Extraordinary items	-	-	-	-	-
Profit / (Loss) before tax	481.21	254.90	125.64	52.21	68.23
Tax expense / (benefit):					
(a) Current tax expense	66.89	53.43	28.76	11.36	14.94
(b) (Less): MAT credit	(14.88)	(53.43)	(25.14)	(10.45)	(13.18)
(c) Wealth Tax	-	-	-	0.18	-
(d) Deferred Tax	55.62	145.73	50.51	19.71	(51.85)
Net Tax expenses	**107.63**	**145.73**	**54.13**	**20.80**	**(50.09)**
Profit / (Loss) for the period / year, as restated	**373.58**	**109.17**	**71.51**	**31.41**	**118.32**

The accompanying summary of restated financial information (Annexures - 5 to 22) forms an integral part of this statement.

In terms of our report attached **For Deloitte Haskins & Sells** **Chartered Accountants**	**For and on behalf of the Board of Directors**	
C.R. Rajagopal **Partner** Membership Number: 23418	**P. Sundararajan** **Managing Director**	**P. Latha** **Executive Director**
Place: Avinashi **Date: June 06, 2016**	V. Balaji **Chief Financial Officer**	K. Vinodhini **Company Secretary**

S.P. Apparels Limited
Annexure 3: Standalone Summary Statement of Cash Flows, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and exceptional item	481.21	254.90	125.64	52.21	68.23
Adjustments for:					
Depreciation and amortization expense	207.15	197.47	175.11	167.84	162.09
(Profit) /loss on sale of assets	0.52	(1.05)	(0.93)	0.61	(0.85)
Net (gain)/loss on sale of investments	-	-	(0.29)	-	(1.20)
Bad debts and loans and advances written off	0.30	1.77	6.16	0.19	0.08
Reversal of Deferred Employee compensation expenses	-	-	-	-	-
Provision for doubtful trade receivables	0.95	0.40	(10.24)	6.48	-
Excess provision written back	-	-	-	-	-
Finance costs	253.70	311.53	355.63	346.28	401.27
Interest income	(4.86)	(5.19)	(9.39)	(3.74)	(7.59)
Unrealised exchange (gain)/loss	(1.26)	1.87	5.84	-	-
Provision for MTM (gain)/loss on forward contracts	3.61	(22.74)	16.18	(44.20)	(22.86)
Dividend income	(0.03)	-	-	(0.73)	(0.67)
Operating profits before working capital changes	**941.29**	**738.96**	**663.71**	**524.94**	**598.50**
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(209.30)	177.17	5.24	(31.19)	(278.56)
Trade receivables	(95.13)	(215.34)	(38.84)	50.25	(84.34)
Loans and advances/Current assets	(76.80)	6.43	19.98	34.99	48.65
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables/Other current liabilities/Provisions	(1.90)	155.19	(48.83)	218.06	34.26

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Cash Generated from Operations	**558.16**	**862.41**	**601.26**	**797.05**	**318.51**
Net income tax (paid) / refunds	(68.89)	(29.25)	(15.16)	(10.40)	(9.83)
Net Cash from Operating Activities before exceptional item	**489.27**	**833.16**	**586.10**	**786.65**	**308.68**
Exceptional Item	-	-	-	-	-
Net cash flow from / (used in) operating activities	**489.27**	**833.16**	**586.10**	**786.65**	**308.68**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Capital expenditure on fixed assets, including capital advances	(258.10)	(149.80)	(77.91)	(98.33)	(378.46)
Proceeds from sale of fixed assets	3.25	2.18	12.85	6.23	253.57
Bank deposits not considered as cash equivalents	(34.04)	80.73	(78.84)	17.37	(5.19)
Purchase of investments	(14.01)	(5.51)	-	-	-
Proceeds from sale of investments	1.54	3.89	2.86	0.05	4.20
Dividend received - Others	0.03	-	-	0.73	0.67
Interest received - Bank deposits	5.93	9.83	3.52	1.36	7.59
Net cash flow from / (used in) investing activities	**(295.40)**	**(58.68)**	**(137.52)**	**(72.59)**	**(117.62)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Issue of Share capital	-	-	72.49	-	-
Proceeds/(repayment) of long term borrowings	8.43	(287.00)	(240.02)	(373.22)	(242.96)
Proceeds/(repayment) of short term borrowings	52.16	(160.29)	99.52	(18.60)	445.08
Finance costs	(254.05)	(322.98)	(375.65)	(302.80)	(401.27)
Net cash flow from / (used in) financing activities	**(193.46)**	**(770.27)**	**(443.66)**	**(694.62)**	**(199.15)**
Net increase / (decrease) in Cash and cash equivalents	0.41	4.21	4.92	19.44	(8.09)
Cash and cash equivalents at the beginning of the year	39.89	35.70	30.75	11.31	19.40
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.05)	(0.02)	0.03	-	-
Cash and cash equivalents at the end of the year	**40.25**	**39.89**	**35.70**	**30.75**	**11.31**

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Cash and cash equivalents at the end of the year comprises of					
(a) Cash on hand	25.84	6.55	2.97	5.76	6.17
(b) Balances with banks					
in current account	14.41	33.34	32.73	24.99	4.79
in EEFC account	-	-	-	-	0.35
	40.25	**39.89**	**35.70**	**30.75**	**11.31**

The accompanying summary of restated financial information (Annexures - 5 to 22) forms an integral part of this statement.

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

C.R. Rajagopal
Partner
Membership Number: 23418

Place: Avinashi
Date: June 06, 2016

For and on behalf of the Board of Directors

P. Sundararajan
Managing Director

P. Latha
Executive Director

V. Balaji
Chief Financial Officer

K. Vinodhini
Company Secretary

S.P. Apparels Limited
Annexure 4: Summary Statement of Adjustments to Audited Financial Information

(Amount in ₹ million)

Particulars	Note ref	For the year ended				
		31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Profit / (Loss) for the year (as per audited accounts) (A)		**204.88**	**104.49**	**74.22**	**32.07**	**28.59**
Restatement Adjustments						
Increase / (decrease) in profits for restatement adjustments:						
- Other expenses	Annexure 7	-	-	-	-	30.24
- Exceptional item		168.70	-	-	-	
Total effect of adjustments before tax (B)		**168.70**	**-**	**-**	**-**	**30.24**
Tax adjustments						
Current tax	1		(4.68)	2.71	0.66	7.34
Less: MAT credit			-	-	-	(5.58)
Deferred tax	Annexure 7		-	-	-	(61.25)
Total of tax adjustments (C)		-	(4.68)	2.71	0.66	(59.49)
Net effect of increase in profit/ (loss) on adjustments after tax (D) = (B - C)		**168.70**	**4.68**	**(2.71)**	**(0.66)**	**89.73**
Profit / (Loss) for the year as restated (E) = (A + D)		**373.58**	**109.17**	**71.51**	**31.41**	**118.32**

Note
Material Regrouping

W.e.f, April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 in accordance with the requirements applicable for the year ended March 31, 2016.

Appropriate adjustments have been made in the Restated unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the year ended March 31, 2016, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

1. **Prior period items:** In the financial years ended March 31, 2015, March 31, 2014 and March 31, 2013 audited financial statements had a provision towards tax relating to earlier years. These provisions were recorded in the year when identified. However, for the purposes of restated summary statements, such prior period adjustments have been adjusted in respective year to which the provision relates to.

2. **Audit qualifications:** There are no qualifications in the Auditors' Reports for the years ended March 31, 2012 to March 31, 2016. The Statement of matters specified in the Companies (Auditor's' Report) Order, 2015 and the Companies (Auditor's' Report) Order, 2003, annexed to the Auditors' Report on the audited financial statements for the year ended March 31, 2012, March 31, 2013, March 31, 2014, March, 31 2015, and March 31, 2016 are as follows:

2.1. **Adjusting items:** There are no adjusting items.

2.2. **Non-adjusting items: There are no non adjusting items.**

These are forming part of CARO and have not been considered in the restated financial statements

For the year ended March 31, 2016

Discharge of Statutory dues: According to the information and explanations given to us, in respect of statutory dues, details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	AY 2009-10	22.58
Tamil Nadu VAT Act, 2006	VAT	DC (Appeals)	FY 2006-12	5.02
Finance Act, 1994	Service tax	CCE Appeals (I)	FY 2008-13	0.54

For the year ended March 31, 2015

According to the information and explanations given to us, in respect of statutory dues, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable, except for dues given below:

Name of the Statute	Nature of dues	Amount involved (₹ in million)	Period to which the amount relates	Due Date	Date of payment
Income tax Act, 1961	Income tax	0.26	AY 2011-12	26-Mar-14	Not paid
Tamil Nadu VAT Act, 2006	Advance tax	7.21	AY 2015-16	15-Jun-14	Not paid
Finance Act, 1994	Advance tax	14.43	AY 2015-16	15-Sep-14	Not paid

Discharge of Statutory dues

According to the information and explanations given to us, in respect of statutory dues, details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	AY 2009-10	22.58
Income tax Act, 1961	Income tax	CIT Appeals (II)	AY 2006-07	173.38
Tamil Nadu VAT Act, 2006	VAT	DC (Appeals)	FY 2006-12	5.02
Finance Act, 1994	Service tax	CCE Appeals (I)	FY 2008-13	0.54

Delay in repayment of dues to Banks

In our opinion and according to the information and explanations given to us, the Company had delayed in the repayment of dues to banks during the year. As at the year end the company has delayed in the repayment of ₹ 60.00 million which has subsequently been made good. The Company has not defaulted in the repayment of dues to the financial institutions. The Company has not issued any debentures.

For the year ended March 31, 2014

According to the information and explanations given to us, in respect of statutory dues, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable, except for Advance tax under the Income tax Act amounting to ₹ 19.70 million pertaining to the financial year 2013-14.

Discharge of Statutory dues

According to the information and explanations given to us, in respect of statutory dues, details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	2009-10	22.58
Income tax Act, 1961	Income tax	CIT Appeals (II)	2006-07	173.38
TNVAT Act	VAT	DC (Appeals)	2006-12	10.78

Delay in repayment of dues to Banks

In our opinion and according to the information and explanations given to us, the Company had delayed in the repayment of dues to banks during the year. As at the year end the company has delayed in the repayment of ₹ 64.40 million which has subsequently been made good. During the year, the Company has obtained approval from Andhra Bank for the reschedulement of the loan. The Company has not borrowed any amount from financial institutions and has not issued any debentures.

For the year ended March 31, 2013

Discharge of Statutory dues

According to the records of the company, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes except Income Tax for which the details are as given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	2009-10	22.58
Income tax Act, 1961	Income tax	CIT Appeals (II)	2006-07	173.38

Delay in repayment of dues to Banks

In our opinion and according to the information and explanations given to us, the Company had delayed in the repayment of dues to banks during the year. As at the year end the company has delayed in the repayment of ₹ 90.78 million which has subsequently been made good. The Company has not borrowed any amount from financial institutions and has not issued any debentures.

For the year ended March 31, 2012

Discharge of Statutory dues

According to the records of the company, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have been disputed except Income Tax for which the details are as given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income Tax	Disallowance of expenditure	CIT Appeals	2008-09 & 2009-10	29.38

Delay in repayment of dues to Banks

In our opinion and according to the information and explanations given to us, the Company had delayed in the repayment of dues to banks and financial institution during the year. As at the year end, the company has defaulted in the repayment of ₹ 102.96 million which has subsequently been made good.

Exceptional Item

Exceptional item constitutes of ₹168.70 Million pertaining to the loss on crystallisation of option / swap / forward contracts taken during the previous year to hedge the foreign exchange exposure on forecasted receivables.

S.P. Apparels Limited
Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

A. Summary of Significant Accounting Policies

1. **Basis of Accounting and preparation of restated financial statements:** The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The accounting policies have been consistently applied by the Company and are consistent across all the years presented.

2. **Use of estimates:** The preparation of the financial statements in conformity withIndian GAAPrequires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. **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. Fabric Waste is valued at net realizable value.

4. **Cash and cash equivalents (for purposes of Cash Flow Statement):** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

5. **Cash Flow Statement:** Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

6. **Depreciation and amortisation:** Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

→ General Plant & Machinery - 20 years
→ Computers & Servers -5 years
→ Buildings – others - 30 years
→ Office Equipments - 10 years
→ Vehicles Car - 10 years
→ Vehicles Others -8 years

Leasehold land is amortised over the duration of the lease.

Intangible assets are amortised over their estimated useful life on straight line method.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

7. **Revenue Recognition:**

Sale of Goods:
Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the despatch of goods to customers.

Income from Services:
Revenue from job work undertaken is recognised on despatch of goods to the customer on completion of Job work.

8. **Other Income**

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

9. **Fixed Assets and Depreciation**

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Intangible assets include software and Trademarks. Software licenses are amortized over a period of five years. Trademarks would be amortized on a straight line basis over their expected useful lives.

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

10. **Foreign Currency Transactions**

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.Non-monetary items are carried at historical cost. All assets and liabilities of non-integral operations are translated at year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

11. Government grants and subsidies

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.

12. Investments

Long-term investment, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

13. 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

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they 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.

14. Borrowing Costs

Borrowing costs include interest (net of TUF subsidy), amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

15. **Segment Reporting**

The Company is in the business manufacture of knitted garments. There are no separate reportable primary segments as per Accounting Standard 17 (AS17). Secondary segmental reporting is based on geographical location.

16. **Leases**

Assets leased by the Company in its capacity as a lessee, wheresubstantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

17. **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 dividingthe 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 ofequity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

18. **Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

19. Impairment

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

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.

20. A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

B. Notes to Accounts

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

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

3. Long term Loans and Advances as on April 01, 2011, includes ₹ 168.70 Million considered recoverable from a bank in respect of payments made towards matured foreign currency contracts. The Company has filed a suit which is in the hearing stage. The Company has made adjustments to the retained earnings for the purpose of restated standalone financial statements.

4. **Contingent Liabilities and Commitments**

(Amount in ₹ million)

Particulars	As at				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
Outstanding export obligations for EPCG license	178.11	290.83	-	-	-
Bank Guarantees	4.40	-	-	-	4.34
ESI Demand	-	-	-	-	2.86
Income Tax Demand - disputed	34.09	202.96	202.96	202.96	29.58
Service Tax - disputed	0.54	0.54	-	-	-
VAT - disputed	5.02	5.02	10.78	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	56.71	0.80	14.86	26.06	64.50
Total	**278.87**	**500.15**	**228.60**	**229.02**	**101.28**

5. Consequent to implementation of the Companies Act 2013 and the change in the useful life of the assets, the depreciation charge for the year is higher by ₹ 16.65 Million. With respect to assets whose useful life has been exhausted, as at 01st April 2014 the residual value amounting to ₹2.56 Million (Net of Deferred Tax) has been adjusted to Surplus in Profit & Loss Account.

6. **Deferred tax (liabilities) / assets**

Particulars	As at				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
Tax effect of items constituting deferred tax liabilities					
On difference between book balance and tax balance of fixed assets	(374.22)	(360.78)	(353.68)	(322.55)	(276.81)
Tax effect of items constituting deferred tax assets					
Unabsorbed depreciation carried forward		51.48	175.71	198.01	158.70
Others	1.72	(7.58)	5.50	2.58	15.86
Deferred tax (liabilities) / assets (net)	**(372.50)**	**(316.88)**	**(172.47)**	**(121.96)**	**(102.25)**

The Company has recognised deferred tax asset on unabsorbed depreciation based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.

7. **Equity investment and loans to subsidiary company M/s Crocodile Products Private Limited**

The Company is carrying an equity investment of ₹ 63.74 Million (Previous Year ₹ 63.74 Million) in the above subsidiary company. Though the net worth of the subsidiary has eroded due to losses of the past years, in the opinion of the management, the investment made in the company is long term and strategic in nature and fully realisable.

8. **Employee benefits plans**

Defined contribution plan

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
Contribution to Provident Fund	58.19	41.85	24.19	30.96	36.97
Contribution to Employees' State Insurance	23.84	18.83	10.83	28.10.	14.43

Defined benefit plan

The Company offers gratuity benefit scheme to its employees. The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

(Amount in ₹ million)

Particulars	As at/ For the Year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Changes in present value of obligation					
Present value of obligation as on 1st April	30.38	18.85	15.45	18.60	19.26
Interest Cost	2.50	1.35	1.50	1.55	1.65
Current Service Cost	10.03	9.36	6.26	6.60	9.53
Benefits paid	(4.90)	(3.05)	(2.38)	(3.03)	(3.94)
Actuarial Gain/ (Loss) on Obligations	4.00	3.87	(1.98)	(8.28)	(7.90)
Present value of obligation as on year-end / period-end	42.00	30.38	18.85	15.44	18.60
Change in Fair Value of Assets during the year/period					
Fair Value of Plan Assets as at 1st April	0.09	2.58	0.16	2.91	6.33
Expected return on plan assets	-	(0.10)	0.11	0.12	0.44
Contributions made	4.90	0.50	4.76	0.19	0.08
Benefits paid	(4.90)	(3.05)	(2.38)	(3.03)	(3.94)
Actuarial Gain/ (Loss) on plan assets	(0.09)	0.16	(0.07)	(0.04)	-
Fair Value of Plan Assets as at year-end / period-end	0.00	0.09	2.58	0.15	2.91
Net Asset/(Liability) recognised in the Balance sheet					
Present value of obligation as on 31st March	42.00	30.38	18.85	15.44	18.60
Fair Value of Plan Assets as at 31st March	0.00	0.09	2.58	0.15	2.91
Funded Status Surplus/(deficit)	42.00	30.29	16.27	15.29	15.69
Unrecognised past Service Cost	-	-	-	-	-
Net Asset/(Liability) to be recognised in the Balance sheet	42.00	30.29	16.27	15.29	15.69
Expenses recognised during year/period					
Current Service Cost	10.03	9.36	6.26	6.60	9.53
Interest Cost	2.50	1.35	1.50	1.55	1.65
Expected return on plan assets	-	0.10	(0.11)	(0.12)	(0.44)
Actuarial Gain/ (Loss) on Obligations	4.09	3.71	(1.91)	(8.24)	(7.90)
Expenses to be recognised in statement of profit & loss	16.62	14.53	5.74	(0.21)	2.84
Actuarial Assumptions					
Discount Rate	7.80%	7.82%	9.15%	8.05%	8.00%
Expected return on plan assets	0.00%	8.00%	0.00%	8.05%	8.00%
Rate of escalation in salary	5.00%	7.00%	7.00%	7.00%	6.50%
Attrition rate	5.00%	5.00%	5.00%	5.00%	1.00% - 3.00%
Mortality rate	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)

The Discount rate is based on the prevailing market yields of Government of India Securities as at the Balance sheet date for the estimated term of the obligations.

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

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

9. Segment Information

Primary Segment by products

The Company operates primarily in a single business segment of Manufacture and Sale of Garments .

Secondary Segment by Geographical area based on location of customers

(Amount in ₹ million)

Particulars	as at/ for the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Segment Revenue					
Outside India	4,241.72	3,718.01	3,303.02	3,287.29	3,082.23
Within India	1,127.08	1,039.77	1,218.09	1,005.65	929.86
Segment Assets					
Outside India	691.69	626.67	427.01	430.31	445.76
Within India	5,088.74	4,677.44	4,943.34	4,972.16	5,059.80
Capital expenditure	319.68	109.28	41.45	344.89	584.78

Details of leasing arrangements

(i) Finance lease obligation relating to Vehicles

(Amount in ₹ million)

Particulars	for the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Reconciliation of minimum lease payments					
Future minimum lease payments for a period of					
not later than one year	2.18	2.18	-	-	-
later than one year and not later than five years	4.34	6.51	-	-	-
later than five years	0	-	-	-	-
	6.52	8.69	-	-	-
Less: Unmatured finance charges	0.86	1.49	-	-	-
Present value of minimum lease payments payable	5.66	7.20	-	-	-
not later than one year	2.08	2.08	-	-	-
later than one year and not later than five years	3.57	5.12	-	-	-
later than five years	0	-	-	-	-

(ii) Operating lease arrangements

The Company has cancellable operating lease agreements for rental building space. As per the lease terms an amount of ₹ 43.31 Million (for the year ended 31st March 2015 ₹22.23 Million; for the year ended 31st March 2014 ₹22.75 Million) is charged to statement of Profit and Loss account. As lessor the Company realized an income of ₹ 0.40 Million (for the year ended 31st March 2015 ₹ 0.66 Million; for the year ended 31st March 2014 ₹0.66Million) on properties under lease.

10. The Company has acquired the assets of 12 stores owned by Poornam Enterprises Private Limited through slump sale agreement dated 31-July-2015 (Effective Date 01-August-2015). The assets acquired include fixed assets of ₹ 16.63 Million, rental advances of ₹ 8.77 Million and stock of garments ₹19.03 and liabilities amounting to ₹ 44.43 Million of the retail network.

11. The figures have been re-grouped / re-classified wherever necessary.

S.P. Apparels Limited
Annexure 6: Summary Statement of Share Capital, as restated

(Amount in ₹ million)

Particulars	As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14		As at 31-Mar-13		As at 31-Mar-12	
	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million
(a) Authorised										
Equity shares of ₹ 10/- each with voting rights	27,250,000	272.50	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
10% Redeemable preference shares of ₹10/- each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily Convertible preference shares of ₹10/- each	-	-	7,250,000	72.50	7,250,000	72.50	-	-	-	-
	47,250,000	472.50	47,250,000	472.50	47,250,000	472.50	40,000,000	400.00	40,000,000	400.00
(b) Issued										
Equity shares of ₹ 10/- each with voting rights	17,145,212	171.45	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
10% Redeemable preference shares of ₹10/- each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily Convertible preference shares of ₹10/- each	-	-	7,249,454	72.49	7,249,454	72.49	-	-	-	-
	37,145,212	371.45	44,049,454	440.49	44,049,454	440.49	36,800,000	368.00	36,800,000	368.00
(c) Subscribed and fully paid up										
Equity shares of ₹ 10/- each with voting rights	17,145,212	171.45	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
10% Redeemable preference shares of ₹10/- each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily Convertible preference shares of ₹10/- each	-	-	7,249,454	72.49	7,249,454	72.49	-	-	-	-
	37,145,212	371.45	44,049,454	440.49	44,049,454	440.49	36,800,000	368.00	36,800,000	368.00
Total	37,145,212	371.45	44,049,454	440.49	44,049,454	440.49	36,800,000	368.00	36,800,000	368.00

Notes

i) ***Terms & Condition of Equity Share Capital***

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

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

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

1.The Company has converted a part of the unsecured loans given by the directors as Redeemable Cumulative Preference shares

2.The coupon rate is 3% for first 4 years and 10% thereafter;
3.The period of redemption is 10 years or as allowed by the Directors subject to liquidity;

4.The preference shares are cumulative in respect of dividend payout;
5.The redemption shall be out of accumulated profits or out of fresh issue of shares.

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

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

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

(Amount in ₹ million)

Particulars	As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14		As at 31-Mar-13		As at 31-Mar-12	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Equity Shares with voting rights										
P. Sundararajan	11,980,000	69.87%	11,980,000	71.31%	11,980,000	71.31%	11,980,000	71.31%	11,980,000	71.31%
S. Latha	3,000,000	17.50%	3,000,000	17.86%	3,000,000	17.86%	3,000,000	17.86%	3,000,000	17.86%
NYLIM - India Fund	1,800,000	10.50%	1,800,000	10.71%	1,800,000	10.71%	1,800,000	10.71%	1,800,000	10.71%

Particulars	As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14		As at 31-Mar-13		As at 31-Mar-12	
10% Redeemable Preference Shares										
P. Sundararajan	10,000,000	50.00%	10,000,000	50%	10,000,000	50%	10,000,000	50%	10,000,000	50%
S. Latha	10,000,000	50.00%	10,000,000	50%	10,000,000	50%	10,000,000	50%	10,000,000	50%
6 % Compulsorily convertible preference shares										
M/s. Euro Asia Agencies Ltd, Hong Kong	-	-	7,249,454	100%	7,249,454	100%	-	-	-	-

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

(Amount in ₹ million)

Particulars	As at 31-Mar-16		As at 31-Mar-15		As at 31-Mar-14		As at 31-Mar-13		As at 31-Mar-12	
	No of Shares	**₹ in million**	**No of Shares**	**₹ in million**	**No of Shares**	**₹ in million**	**No of Shares**	**₹ in million**	**No of Shares**	**₹ in million**
Equity Shares with voting rights										
Beginning of the year	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
Movement during the year	345,212	3.45	-	-	-	-	-	-	-	-
End of the year	17,145,212	171.45	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
10% Redeemable Preference Shares										
Beginning of the year	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	-	-
Movement during the year	-	-	-	-	-	-	-	-	20,000,000	200.00
End of the year	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily convertible preference shares										
Beginning of the year	7,249,454	72.49	7,249,454	72.49	-	-	-	-	-	-
Movement during the year	(7,249,454)	(72.49)	-	-	7,249,454	72.49	-	-	-	-
End of the year	-	-	7,249,454	72.49	7,249,454	72.49	-	-	-	-

S.P. Apparels Limited
Annexure 7: Standalone Summary Statement of Reserves and Surplus, as restated

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Securities premium account					
Opening balance	333.19	333.19	333.19	333.19	333.19
:Add: Premium on shares issued during the year	69.04	-	-	-	-
:Less:Utilized during the year for	-	-	-	-	-
Closing balance	402.23	333.19	333.19	333.19	333.19
(b) Share options outstanding account					
Opening balance	-	-	-	-	-
Less: Written back to Statement of Profit and Loss during the year	-	-	-	-	-
Closing balance	-	-	-	-	-
(c) Surplus / (Deficit) in Statement of Profit and Loss					
Opening balance	390.25	291.46	219.95	188.54	70.22
Less:Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred Tax)	-	2.56	-	-	-
Add: Restated Profit / (Loss) for the year (Refer Annexure 4)	373.58	109.17	71.51	31.41	118.32
Less: Dividends proposed to be distributed to preference shareholders (₹0.90/- per share)	44.00	6.52	-	-	-
Less: Tax on dividend	8.97	1.30	-	-	-
Closing balance	710.86	390.25	291.46	219.95	188.54
Total	**1,113.09**	**723.44**	**624.65**	**553.14**	**521.73**

Note:

Surplus in Statement of Profit and Loss as at 1-Apr-2011, as restated

(Amount in ₹ million)

Particulars	Amount
Opening balance as at 1-Apr-2011 as per audited accounts	329.98
Less:	
Adjustment on account of qualification	
Mark to Market	30.24
Deferred Tax	0.43
Tax relating to earlier years	61.25
Adjustment on account of loans and advances (refer note below)	168.7
Opening balance as at 1-Apr-2011, as restated	**70.22**

Note:

Long term Loans and Advances as on April 01, 2011, includes ₹ 168.70 Million considered recoverable from a bank in respect of payments made towards matured foreign currency contracts. The Company has filed a suit which is in the hearing stage. The Company has made adjustments to the retained earnings for the purpose of restated standalone financial statements.

For the year ended March 31, 2011 the following are the qualifications in the Auditors' Report, which has been appropriately dealt with in this restated financial statements:

Note number 23 (a) of Schedule 20 forming part of financial statements regarding non recognition of mark to market loss on outstanding foreign exchange forward contract amounting to ₹ 30.24 million. This was the subject matter of qualification of our audit report for the preceding financial year also.

Note number (B) 2 of Schedule 20 forming part of financial statementsregarding recognition of deferred tax expenses using current applicable effective rate, being the minimum alternate tax (MAT) rate, instead of regular tax rate. Had the Company recognised the deferred tax expenses using regular tax rates, the deferred tax expenses for the year would be higher by ₹ 61.25 million.

S.P. Apparels Limited
Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

(Amount in ₹ million)

Particulars		As at				
		31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Secured loans						
- Term loans from banks / financial institutions		739.66	595.41	888.47	1,196.77	1,606.15
-			-	-	-	-
- Long-term maturities of finance lease obligations		5.59	7.11	-	0.63	0.83
- Loan from banks repayable on demand		1,551.08	1,561.69	1,728.29	1,626.12	1,628.20
Total	**A**	**2,295.83**	**2,164.21**	**2,616.76**	**2,823.52**	**3,235.18**
Unsecured loans						
- Loan from Related Parties		261.46	326.05	326.10	256.19	221.19
- Loan from banks repayable on demand		-	-	-	-	16.52
- Other Loans and advances		1.25	4.20	1.00	2.00	0.64
Total	**B**	**262.71**	**330.25**	**327.10**	**258.19**	**238.35**
Total borrowings (A + B)		**2,558.54**	**2,494.46**	**2,943.86**	**3,081.71**	**3,473.53**
Total borrowings represented by:						
- Long-term borrowings		648.77	693.96	883.71	971.49	1,401.01
- Short-term borrowings		1,621.54	1,565.89	1,728.29	1,626.12	1,644.72
- Current maturities of long-term borrowings (included in other-current liabilities)		288.23	234.61	331.86	484.10	427.80
Total		**2,558.54**	**2,494.46**	**2,943.86**	**3,081.71**	**3,473.53**

S.P. Apparels Limited
Annexure 9: Standalone Summary Statement of Fixed Assets, as restated

(Amount in ₹ million)

NAME OF THE ASSET	As at March 31, 2016			As at March 31, 2015		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Tangible Assets						
Land - Free hold	5.76	-	5.76	4.43	-	4.43
Land - Lease hold	13.53	1.15	12.38	13.03	1.01	12.02
Buildings	1,528.32	381.81	1,146.51	1,497.69	333.41	1,164.28
Plant & Machinery	2,193.98	884.30	1,309.68	2,104.92	799.02	1,305.90
Electrical Installations	95.36	41.49	53.87	63.65	25.99	37.66
Furniture & Fittings	135.90	67.18	68.72	105.49	53.67	51.82
Vehicles	32.29	24.86	7.43	37.23	27.52	9.71
Vehicles Leasehold	10.44	1.27	9.17	10.47	0.53	9.94
Lab Equipments	10.20	8.51	1.69	10.15	7.74	2.41
Office Equipments	124.27	71.31	52.96	110.75	58.33	52.42
Windmill	-	-	-	-	-	-
Computers	121.71	97.83	23.88	110.28	91.43	18.85
Sub-Total	**4,271.76**	**1,579.71**	**2,692.05**	**4,068.09**	**1,398.65**	**2,669.44**
Intangible Assets						
Goodwill	40.15	33.36	6.79	40.15	29.34	10.81
Brand / Trade Marks	117.16	22.75	94.41	17.16	12.91	4.25
Sub-Total	**157.31**	**56.11**	**101.20**	**57.31**	**42.25**	**15.06**
Total	**4,429.07**	**1,635.82**	**2,793.25**	**4,125.40**	**1,440.90**	**2,684.50**

(Amount in ₹ million)

NAME OF THE ASSET	As at March 31, 2014			As at March 31, 2013			As at March 31, 2012		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Tangible Assets									
Land - Free hold	4.43	-	4.43	4.43	-	4.43	4.43	-	4.43
Land - Lease hold	13.03	0.89	12.14	13.03	0.76	12.27	13.03	0.63	12.40
Buildings	1,481.90	285.50	1,196.40	1,481.52	238.12	1,243.40	1,182.65	200.41	982.24
Plant & Machinery	2,069.07	712.81	1,356.26	2,054.01	620.13	1,433.88	2,038.86	528.48	1,510.38
Electrical Installations	46.18	12.59	33.59	45.45	9.83	35.62	44.83	7.13	37.70
Furniture & Fittings	101.41	39.17	62.24	98.94	31.45	67.49	96.47	24.00	72.47
Vehicles	43.41	30.29	13.12	49.17	30.38	18.79	50.34	26.47	23.87
Vehicles Leasehold	-	-	-	-	-	-	-	-	-
Lab Equipments	10.15	6.47	3.68	10.15	6.10	4.05	9.95	5.74	4.21
Office Equipments	88.89	38.52	50.37	84.91	34.64	50.27	81.80	30.88	50.92
Windmill	-	-	-	-	-	-	-	-	-
Computers	107.95	85.05	22.90	104.79	79.55	25.24	91.85	70.20	21.65
Sub-Total	**3,966.42**	**1,211.29**	**2,755.13**	**3,946.40**	**1,050.96**	**2,895.44**	**3,614.21**	**893.94**	**2,720.27**
Intangible Assets									
Goodwill	40.15	25.33	14.82	40.15	21.31	18.84	40.15	17.30	22.85
Brand / Trade Marks	17.16	11.66	5.50	17.16	10.41	6.75	17.16	9.16	8.00
Sub-Total	**57.31**	**36.99**	**20.32**	**57.31**	**31.72**	**25.59**	**57.31**	**26.46**	**30.85**
Total	**4,023.73**	**1,248.28**	**2,775.45**	**4,003.71**	**1,082.68**	**2,921.03**	**3,671.52**	**920.40**	**2,751.12**

S.P. Apparels Limited
Annexure 10: Standalone Summary Statement of Non-Current Investments, as restated

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
Unquoted; Trade					
Investment in Equity Instruments					
in Subsidiaries					
(i) 266,000 shares (As at 31st March 2015 - 266,000 Shares) of ₹100/- each fully paid up in Crocodile Products Private Limited	63.74	63.74	63.74	63.74	63.74
(ii) 130,000 shares (As at 31st March 2015 –) of 1 GBP each fully paid up in S.P. Apparels UK (P) Limited	15.75	0.95	-	-	-
in Other Entities					
(i) 36,480 shares (As at 31st March 2015 – 36,480 shares) of ₹ 10 /-each fully paid up in Gayathri Sustainable Energies India Private Limited	0.36	0.36	-	-	-
(ii) 116,800 shares (As at 31st March 2015 – 420,400 shares) of ₹ 10 /-each fully paid up in LNGS P Ltd.	1.17	4.20	-	-	-
(iii) 1034 shares (As at 31st March 2015 – NIL) of ₹ 100 /-each fully paid up in Rasi G Energy P Limited	0.16	-	-	-	-
(iv) 28,000 shares (As at 31st March 2015 – NIL) of ₹ 11 /-each fully paid up in OPG Power Generation P Ltd, Chennai	0.31	-	-	-	-
(v) 1,775 shares (As at 31st March 2015 – NIL) of ₹ 1000/- each fully paid up in Netaji Apparel Park.	1.78	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Other Investments					
Investment in Mutual Funds					
SBI Tax Advantage - Fund Series	-	-	-	0.50	0.50
Total	**83.27**	**69.25**	**63.74**	**64.24**	**64.24**

S.P. Apparels Limited
Annexure 11: Standalone Summary Statement of Current Investments, as restated

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(At lower of cost and fair value)					
Unquoted					
Investments in Mutual Funds					
Milestone Real estate fund	1.65	3.19	7.08	9.15	9.2
Total	**1.65**	**3.19**	**7.08**	**9.15**	**9.2**

S.P. Apparels Limited
Annexure 12: Standalone Summary Statement of Trade Receivables, as restated

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
Trade receivables outstanding for a period exceeding six months from the date they were due for payment					
Unsecured, considered good	83.36	7.98	26.25	24.24	34.1
Doubtful	1.35	0.4	-	10.24	3.76
	84.71	8.38	26.25	34.48	37.86
Less: Provision for doubtful trade receivables	1.35	0.4	-	10.24	3.76
	83.36	7.98	26.25	24.24	34.1
Other Trade receivables					
Unsecured, considered good	777.06	753.77	526.29	488.6	535.47
Total	**860.42**	**761.75**	**552.54**	**512.84**	**569.57**

S.P. Apparels Limited
Annexure 13: Standalone Summary Statement of Loans and Advances, as restated

LONG TERM LOANS AND ADVANCES
[Unsecured, considered good]

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Capital advance	28.69	24.26	21.77	18.84	15.24
(b) Security Deposits	76.04	60.62	52.20	35.02	29.44
(c) MAT Credit Entitlement	126.92	112.04	58.61	33.47	23.03
(d) Balances with Government Authorities					
(i) VAT Credit Receivable	0.09	0.04	0.04	0.01	-
(ii) Income Tax Receivable	11.15	11.15	11.15	11.15	10.47
(iii) Others	3.04	5.16	5.58	4.34	4.34
(e) Other Loans and Advances	23.41	-	-	-	-
Total	**269.34**	**213.27**	**149.35**	**102.83**	**82.52**

SHORT TERM LOANS AND ADVANCES
[Unsecured, considered good]

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Loans and advances to related parties	29.19	0.70	111.74	106.60	110.35
(b) Security Deposits	-	-	-	8.70	13.44
(c) Loans and advances to employees	0.51	1.04	0.58	0.51	0.27
(d) Prepaid expenses	10.04	9.66	7.40	8.58	6.49
(e) Balances with government authorities					
(i) Export Incentives Receivables	113.05	148.39	133.04	124.99	99.80
(ii) VAT credit receivable	44.70	38.52	17.14	16.77	21.03
(iii) Service Tax credit receivable	-	-	0.01	0.61	7.60
(iv) Terminal excise duty receivable	0.56	0.16	-	1.83	3.06
(v) TUF receivable	34.82	28.03	36.25	43.28	40.47
(vi) Interest subvention receivable	0.60	-	-	-	-
(vii) Income Tax refund receivable	-	-	-	-	3.82
(viii) Others	-	-	-	-	-
(f) Others					
(i) Advance to suppliers	61.78	42.91	70.80	105.45	134.10
(ii) Others	39.77	43.57	27.71	41.96	26.43
Total	**335.02**	**312.98**	**404.67**	**459.28**	**466.86**

S.P. Apparels Limited
Annexure 14: Standalone Summary Statement of Other Current and Non-Current Assets, as restated

INVENTORIES

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Raw Materials	359.04	496.16	606.77	433.65	420.70
(b) Work-in-progress	531.38	370.10	413.36	674.93	636.53
(c) Finished goods (other than those acquired for trading)	66.03	44.48	48.75	27.91	55.23
(d) Stock-in-trade (acquired for trading)	178.09	72.53	57.72	56.16	55.90
(e) Stores and Consumables	163.31	105.27	139.11	78.30	71.40
Total	**1,297.85**	**1,088.54**	**1,265.71**	**1,270.95**	**1,239.76**
DETAILS OF WORK-IN-PROGRESS					
(a) Garments	505.43	344.56	389.83	662.11	631.53
(b) Yarn	25.95	25.54	23.53	12.82	5.00
Total	**531.38**	**370.10**	**413.36**	**674.93**	**636.53**

CASH AND BANK BALANCES

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
A. Cash and cash equivalents					
(a) Cash on hand	25.84	6.55	2.97	5.76	6.17
(b) Balances with banks					
(i) in current accounts	14.41	33.34	32.73	24.99	4.79
(ii) in EEFC accounts	-	-	-	-	0.35
Total - Cash and cash equivalents (A)	**40.25**	**39.89**	**35.70**	**30.75**	**11.31**
B. Other bank balances					
(a) in earmarked accounts					
Balance held as margin money or security against borrowings	61.18	27.13	107.86	29.02	46.39
Total - Other bank balances (B)	61.18	27.13	107.86	29.02	46.39
Total (A + B)	**101.43**	**67.02**	**143.56**	**59.77**	**57.70**

OTHER CURRENT ASSETS

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Accruals - Interest accrued on deposits	2.55	3.61	8.25	2.38	0
Total	**2.55**	**3.61**	**8.25**	**2.38**	**0**

S.P. Apparels Limited
Annexure 15: Standalone Summary Statement of Current Liabilities and Provisions, as restated

TRADE PAYABLES

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
Trade payables:					
a) Dues to micro and small enterprises	-	-	-	-	-
b) Dues to others	1,155.05	1,192.16	1,059.98	1,069.56	883.99
Total	**1,155.05**	**1,192.16**	**1,059.98**	**1,069.56**	**883.99**

OTHER CURRENT LIABILITIES

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Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Current maturities of long-term debt	286.54	233.09	331.86	483.47	426.97
(b) Current maturities of finance lease obligations	1.69	1.52	-	0.63	0.83
(c) Interest accrued but not due on borrowings	4.23	0.54	-	-	-
(d) Interest accrued and due on borrowings	7.45	11.47	23.46	43.48	-
(e) Other payables					
(i) Statutory remittances	18.86	16.3	8.84	44.04	9.33
(ii) Payables on purchase of fixed assets	18.77	17.12	52.9	86.43	101.16
(iii) Advances from related parties	-	-	-	-	-
(iv) Trade / security deposits received	7.92	3.95	2.42	1.02	9.19
(v) Advance from customers	7.64	-	-	6.43	-
(vi) Others	-	-	-	-	-
Total	**353.1**	**283.99**	**419.48**	**665.5**	**547.48**

PROVISIONS

LONG TERM PROVISIONS

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Provision for employee benefits:					
(i) Provision for gratuity (net)	40.69	15.04	0	0	0
Total	**40.69**	**15.04**	**0**	**0**	**0**

SHORT TERM PROVISIONS

(Amount in ₹ million)

Particulars	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12
(a) Provision for employee benefits:					
(i) Provision for compensated absences	4.2	0	0	0	0
(ii) Provision for gratuity (net)	1.31	15.25	16.27	15.29	15.77
(b) Provision - Others:					
(i) Provision for tax (net of advance tax)	45.76	49.18	25.01	11.41	13.23
(ii) Provision for Proposed preference dividend	44	6.52	0	0	0
(iii) Provision for tax on proposed preference dividend	8.97	1.31	0	0	0
(iv) Provision for MTM losses on forward contracts	0	0	0	0	7.38
Total	**104.24**	**72.26**	**41.28**	**26.7**	**36.38**

Note: There are no dues to Micro and Small Enterprises as at the Balance Sheet date. The Micro and Small Enterprises have been identified on the basis of information available with the Company and this has been relied upon by the auditors.

S.P. Apparels Limited
Annexure 16: Standalone Summary Statement of Other Income, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Other Income	48.63	66.93	12.19	7.55	13.07
Profit before tax, as restated	373.58	104.49	74.22	32.07	58.83
% of other income to net profit before tax, as restated	13.02%	64.05%	16.42%	23.54%	22.22%

Break-up of Other Income:

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Recurring					
Interest from bank deposits	4.86	5.19	9.39	3.74	7.59
Rental income	0.4	0.67	0.67	0.67	0.34
	5.26	5.86	10.06	4.41	7.93
Non-recurring					
Profit on sale of fixed assets	-	1.05	0.93	-	0.85
Dividend Income	0.03	-	-	0.73	0.67
Net gain on foreign currency transactions and translation	42.47	59.33	-	-	-
Profit on Redemption of Investments	-	-	0.29	-	1.20
Excess provision written back	-	-	-	-	-
Miscellaneous income	0.87	0.69	0.91	2.41	2.42
	43.37	61.07	2.13	3.14	5.14
Total	48.63	66.93	12.19	7.55	13.07

Notes

1) All the above income relates to the Company's business activity

2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activities of the Company as determined by the management.

S.P. Apparels Limited
Annexure 17: Standalone Summary Statement of Key Operational Income and Expenses, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
(a) Sale of Products	4,839.40	4,211.80	4,006.40	3,921.62	3,581.22
(b) Sale of Services	138.85	208.21	207.73	89.33	122.73
(c)Other Operating Revenues	390.55	337.77	306.98	281.99	309.91
	5,368.80	4,757.78	4,521.11	4,292.94	4,013.86
Less: Excise Duty	-	-	-	-	1.77
Total Revenue from Operations	**5,368.80**	**4,757.78**	**4,521.11**	**4,292.94**	**4,012.09**
Sale of Products Comprises of					
Manufactured Goods					
Garments	4,309.92	3,774.69	3,350.35	3,366.40	3,154.62
Yarn	113.41	172.26	220.09	196.09	116.59
Fabric	61.37	96.96	276.36	144.44	67.12
Others	8.97	4.92	6.31	4.16	3.03
	4,493.67	**4,048.83**	**3,853.11**	**3,711.09**	**3,341.36**
Traded Goods					
Yarn	-	0.73	1.96	9.46	6.57
Garments	345.73	162.24	151.33	201.07	233.29
	345.73	162.97	153.29	210.53	239.86
Total - Sale of Products	**4,839.40**	**4,211.80**	**4,006.40**	**3,921.62**	**3,581.22**
Sale of Services Comprises of					
Dyeing Charges Received	130.63	200.79	196.84	83.55	120.06
Embroidery Charges Received	5.06	2.81	6.72	1.43	1.92
Printing Charges Received	3.09	3.29	2.61	2.84	0.73
Other Charges	0.07	1.32	1.56	1.51	0.02
Total - Sale of Services	**138.85**	**208.21**	**207.73**	**89.33**	**122.73**
Other Operating Revenues					
Duty Draw Back and other Export Incentives	389.91	337.22	306.12	281.16	258.69
Sale of Scrap	0.05	0.55	0.76	0.08	0.02
Wind Power Generation	-	-	-	-	46.86
Others	0.59	-	0.10	0.75	4.34
Total - Other Operating Revenues	**390.55**	**337.77**	**306.98**	**281.99**	**309.91**

COST OF MATERIALS CONSUMED

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Opening Stock	601.43	745.88	511.95	492.10	284.06
Add: Purchases	1,997.72	1,811.11	1,987.39	1,620.18	1,650.12
	2,599.15	2,556.99	2,499.34	2,112.28	1,934.18
Less: Closing Stock	522.35	601.43	745.88	511.95	492.10
Total - Cost of Material consumed	**2,076.80**	**1,955.56**	**1,753.46**	**1,600.33**	**1,442.08**
Purchases Comprises of:					
Yarn	696.91	473.43	528.34	504.51	408.62
Fabric	235.06	371.32	587.32	417.96	579.82
Accessories	271.47	207.13	191.44	162.18	123.21
Cotton	171.86	169.23	124.47	80.84	80.57
Chemical & Dyes	173.16	213.79	171.87	132.74	141.92
Packing Materials, Stores & Consumables	449.26	376.21	383.95	321.95	315.98
Total - Purchases	**1,997.72**	**1,811.11**	**1,987.39**	**1,620.18**	**1,650.12**

PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)

(Amount in ₹ million)

Particulars	For the year ended 31 March,				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Garments	307.63	133.23	115.48	143.36	158.39
Total - Purchase of stock-in-trade	**307.63**	**133.23**	**115.48**	**143.36**	**158.39**

CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE

(Amount in ₹ million)

Particulars	For the year ended 31 March,				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Inventories at the beginning of the year:					
Finished goods	44.48	48.75	27.91	55.23	73.10
Work-in-progress	370.10	413.36	674.93	636.53	538.97
Waste Stock	-	-	-	-	0.18
Stock-in-trade	72.53	57.72	56.16	55.90	64.89
	487.11	519.83	759.00	747.66	677.14
Inventories at the end of the year:					
Finished goods	66.03	44.48	48.75	27.91	55.23
Work-in-progress	531.38	370.10	413.36	674.93	636.53
Stock-in-trade	178.09	72.53	57.72	56.16	55.90
Waste Stock	-	-	-	-	-
	775.50	487.11	519.83	759.00	747.66
Net (increase) / decrease	**(288.39)**	**32.72**	**239.17**	**(11.34)**	**(70.52)**

EMPLOYEE BENEFITS EXPENSES

(Amount in ₹ million)

Particulars	For the year ended 31 March,				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Salaries & Wages	976.52	794.01	622.13	621.97	592.46
Contribution to Provident Funds & other Funds	98.65	75.21	41.05	58.85	54.24
Staff Welfare Expenses	124.55	121.55	87.68	95.12	88.59
Total - Employee benefits expenses	**1199.72**	**990.77**	**750.86**	**775.94**	**735.29**

FINANCE COSTS

(Amount in ₹ million)

Particulars	For the year ended 31 March,				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
(a) Interest Cost on (i) Borrowings	201.03	273.15	294.84	334.99	312.17
(ii) Others Interest & Bank Charges	47.91	36.51	58.1	45.49	49.19
(b) Other Borrowing Cost		0	0.07	0.01	0.18
(c) Net (Gain)/ Loss on Foreign currency transactions and translations (Considered as Finance Cost)	3.50	1.87	2.62	(34.21)	39.73
Total - Finance Cost	**252.44**	**311.53**	**355.63**	**346.28**	**401.27**

OTHER EXPENSES

(Amount in ₹ million)

Particulars	For the year ended 31 March,				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Fabrication Charges	77.23	54.19	41.68	31.19	39.41
Power & Fuel	197.28	185.79	187.75	253.62	164.86
Repairs & Maintenance - Building	38.90	23.01	8.01	13.36	13.08
Repairs & Maintenance - Machinery	57.93	72.99	52.05	46.68	54.92
Repairs & Maintenance - Others	30.97	23.42	24.20	22.40	21.01
Other Manufacturing Expenses	434.04	385.16	417.28	485.75	539.10
Payments to Auditors (Refer - details below)	2.20	1.85	2.11	1.29	1.89
Insurance	3.28	4.80	5.63	4.82	3.83
Legal & Professional Charges	9.29	8.60	11.76	5.75	5.56
Printing and Stationary	9.02	10.36	6.78	8.99	11.45
Telephone, Postage, Telegrams & Courier	5.37	3.51	4.56	4.23	5.15
Travelling and Conveyance	40.81	26.16	18.42	21.90	21.54
Factory Lease Rent	6.14	3.78	3.68	3.44	4.24
Rent	37.23	18.45	19.07	21.93	29.31
Rates & Taxes	9.61	10.76	13.27	9.42	8.19
Loss on Sale of Assets	0.52	-	-	0.61	-
Managerial Remuneration	13.20	12.00	8.40	8.40	8.40
Director Sitting Fees	0.32	0.10	0.13	0.09	0.09
Miscellaneous expenses	21.47	12.52	15.12	13.01	13.27
Commission & Brokerage	4.19	1.84	3.69	2.55	1.70
Bad Debts, Loans and advances written off	0.30	1.77	6.16	0.19	0.08
Donation	0.27	0.12	0.76	0.50	1.04
Expenditure on Corporate Social Responsibility	0.96	0.54	-	-	-
Clearing, Forwarding & Freight	117.23	83.33	102.88	165.69	82.05
Discount & Allowance	7.91	12.87	13.01	33.03	13.08
Other selling expenses	43.44	12.95	10.49	13.80	14.41
Royalty	7.20				
Loss on sale of investments (Net)	-	-	-	-	-
Provisions for doubtful trade receivables	0.95	0.40	(10.24)	6.48	-
Net Loss on Foreign currency transactions and translations	-	-	35.12	90.95	93.53
Provisions for MTM (Gain)/Loss on forward contracts	3.61	(22.74)	16.18	(44.20)	(22.86)
Total - Other Expenses	**1,180.87**	**948.53**	**1,017.95**	**1,225.87**	**1,128.33**

Particulars	For the year ended 31 March,				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Payment to auditors Comprises:					
As auditors - statutory audit (including service tax)	1.40	1.35	1.12	1.12	1.10
For taxation matters	0.35	0.18	0.31	0.15	0.15
For other services	0.45	0.32	0.65	-	0.61
Reimbursement of expenses	-	-	0.03	0.02	0.03
Total	**2.20**	**1.85**	**2.11**	**1.29**	**1.89**

S.P. Apparels Limited
Annexure 18: Standalone Summary Statement of Dividend Paid / Proposed by the Company

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
The Company has not proposed or paid dividend to equity shareholders during these periods					

S.P. Apparels Limited
Annexure 19: Standalone Summary Statement of Accounting Ratios

(Number / Amount ₹ in Million, Except Per Share Data)

Particulars	For the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
Basic and Diluted Earnings Per Share (₹)					
Basic Earnings Per Share (Basic EPS)					
Profit for the year	373.58	109.17	71.51	31.41	118.32
:Less: Preference dividend and tax thereon	52.97	7.82	-	-	-
Profit for the year attributable to the equity shareholders	320.61	101.35	71.51	31.41	118.32
Number of Weighted average equity shares	17.15	16.80	16.80	16.80	16.80
Par value per share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share – Basic	**18.70**	**6.03**	**4.26**	**1.87**	**7.04**
Diluted Earnings Per Share (Diluted EPS)					
Profit for the year	373.58	109.17	71.51	31.41	118.32
:Less: Preference dividend and tax thereon	52.97	7.82	-	-	-
Profit for the year attributable to the equity shareholders	320.61	101.35	71.51	31.41	118.32
Number of Weighted average equity shares (in Million)	17.15	17.15	17.15	16.80	16.80
Par Value per share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share - Diluted	**18.70**	**5.91**	**4.17**	**1.87**	**7.04**
Net Asset Value Per Equity Share (₹)					
Net worth, as restated	1,284.54	891.44	792.65	721.14	689.73
Number of equity shares outstanding (including potential equity shares)	17.15	16.80	16.80	16.80	16.80
Net Asset Value (NAV) per Equity Share (₹)	**74.92**	**53.06**	**47.18**	**42.93**	**41.06**
Net Profit after tax, as restated	373.58	109.17	71.51	31.41	118.32
Net worth, as restated	1,284.54	891.44	792.65	721.14	689.73
Return on Net worth (%) for equity shareholders	29.08%	12.25%	9.02%	4.36%	17.15%

Note: The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

(ii) Net Assets Value (NAV)

$$\frac{\text{Net worth, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity share holders}}{\text{Net worth as restated, at the end of the year / period}}$$

(iv) Net worth for ratios mentioned above is as arrived as mentioned below:
Net worth, as restated = Equity share capital + Reserves and surplus (includes Securities Premium and Surplus / (Deficit) in Standalone Statement of Profit and Loss).
All the above are based on Standalone Financial Information, as restated.

S.P. Apparels Limited
Annexure 20: Standalone Statement of Capitalisation, as restated

(Amount in ₹ million)

Particulars	Pre-Issue As at 31-Mar-16	Post-Issue*
Debts		
Short term debts	1,621.54	
Long term debts (incl. current maturities of long term debts)	937.00	
Total debts	**2,558.54**	
Shareholders' funds		
Share capital	371.45	
Reserves as restated	1,113.09	
Total Shareholders' funds	**1,484.54**	
Total debts / Total Shareholders' funds	172.35%	
Long term debts / Total Shareholders' funds	63.12%	

**** Shareholders fund post issue can be calculated only on the conclusion of the book building process.***

Notes

1. Short term borrowings represent debts which are due within 12 months from 31-March-2016

2. Long term debts include current portion of long-term borrowings repayable over the next twelve months.

S.P. Apparels Limited
Annexure 21: Standalone Summary Statement of Transactions with Related Parties and Balances, as restated

List of Related Parties:

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

S.P. Apparels Limited
Standalone Financial Information, as restated

Annexure 21: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

(Amount in ₹ million)

Particulars	Transaction Details								Transaction Details				Outstanding Balances					Outstanding Balances					
	Sale of Goods & Service	Purchase of Goods & services	Purchase of Assets	Liabilities taken over	Royalty	Interest income	Remune-ration	Lease Rent Paid	Lease Rent Received	Interest Expenses	Unsecured loan Accepted / (Repaid)	Loans & Advances	Remune-ration payable	Lease Rent payable	Lease Rent security deposit	Unsecured Loan	Current a/c	Other Payables	Sundry Creditors	Dividend	Sundry Debtors	Invt in Equity Shares	Loans & Advances
Subsidiary Company																							
Crocodile Products P Ltd., Coimbatore																							
31-Mar-16	42.98	200.49	-	-	7.20	-	-	-	0.40	-	-	17.17	-	-	-	-	-	-	-	-	54.32	63.74	17.17
31-Mar-15	33.24	139.49	-	-	-	-	-	-	0.66	-	-	-	-	-	-	-	-	-	4.73	-	18.84	63.74	-
31-Mar-14	10.81	120.74	-	-	-	-	-	-	0.66	-	-	15.05	-	-	-	-	-	-	11.54	-	10.07	63.74	111.74
31-Mar-13	0.77	149.35	-	-	-	-	-	-	0.66	-	-	-	-	-	-	-	-	-	-	-	9.91	63.74	96.69
31-Mar-12	0.52	110.05	-	-	-	3.05	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	6.00	63.74	110.35
S.P. Apparels UK (P) Ltd																							
31-Mar-16	-	-	-	-	-	-	-	-	-	-	-	11.62	-	-	-	-	-	-	-	-	-	15.75	11.62
31-Mar-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.95	-
31-Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31-Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31-Mar-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Managerial Personnel																							
Mr. P. Sundararajan																							
31-Mar-16	-	-	-	-	-	-	8.40	4.01	-	-	-62.57	-	0.48	5.69	4.22	150.00	-	68.98	-	22.00	-	-	-
31-Mar-15	-	-	-	-	-	-	8.40	3.03	-	-	39.02	35.82	0.48	2.47	4.22	281.43	-	-	-	-	-	-	-

Particulars	Transaction Details								Transaction Details				Outstanding Balances					Outstanding Balances						
	Sale of Goods & Service	Purchase of Goods & services	Purchase of Assets	Liabilities taken over	Royalty	Interest income	Remune -ration	Lease Rent Paid	Lease Rent Received	Interest Expenses	Unsecured loan Accepted / (Repaid)	Loans & Advances	Remune -ration payable	Lease Rent payable	Lease Rent security deposit	Unsecur ed Loan	Current a/c	Other Payables	Sundry Creditors	Dividend	Sundry Debtors	Invt in Equity Shares	Loans & Advances
31-Mar-14	-	-	-	-	-	-	4.80	2.93	-	-	67.07	24.08	0.23	2.41	4.22	278.43	-24.08	-	-	-	-	-	-
31-Mar-13	-	-	-	-	-	-	4.80	2.90	-	-	32.08	-	3.22	6.89	4.22	235.44	-	-	-	-	-	-	-
31-Mar-12	-	-	-	-	-	-	4.80	3.49	-	-	-79.80	-	0.28	4.28	4.22	203.36	-	-	-	-	-	-	-
Mrs. S. Latha																							
31-Mar-16	-	-	-	-	-	-	3.60	2.13	-	-	-2.02	-	0.27	2.32	0.78	29.75	-	-	-	22.00	-	-	-
31-Mar-15	-	-	-	-	-	-	3.60	0.75	-	-	-2.35	0.90	0.07	0.67	0.78	31.76	-	-	-	-	-	-	-
31-Mar-14	-	-	-	-	-	-	3.60	0.75	-	-	29.15	2.24	0.07	0.63	0.78	37.25	-2.24	-	-	-	-	-	-
31-Mar-13	-	-	-	-	-	-	3.60	0.54	-	-	2.85	-	2.70	1.66	0.78	8.10	-	-	-	-	-	-	-
31-Mar-12	-	-	-	-	-	-	3.60	0.65	-	-	-	-	0.71	1.17	0.78	5.25	-	-	-	-	-	-	-
Relatives of key managerial personnel																							
Mr. S. Chendhuran																							
31-Mar-16	-	-	-	-	-	-	1.20	-	-	-	-	-	0.75	-	-	10.00	-	0.24	-	-	-	-	-
31-Mar-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.25	-	-	-	-	-	-	-
31-Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.25	-	-	-	-	-	-	-
31-Mar-13	-	-	-	-	-	-	-	-	-	-	0.07	-	-	-	-	10.25	-		-	-	-	-	-
31-Mar-12	-	-	-	-	-	-	-	-	-	-	0.11	-	-	-	-	10.18	-	-	-	-	-	-	-
Mr. P. Ashokraman																							
31-Mar-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50	-	-	0.04	-	-	-	-
31-Mar-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50	-	-	0.04	-	-	-	-
31-Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50	-	-	0.04	-	-	-	-
31-Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50	-	-	0.04	-	-	-	-

Particulars	Transaction Details								Transaction Details				Outstanding Balances					Outstanding Balances					
	Sale of Goods & Service	Purchase of Goods & services	Purchase of Assets	Liabilities taken over	Royalty	Interest income	Remune-ration	Lease Rent Paid	Lease Rent Received	Interest Expenses	Unsecured loan Accepted / (Repaid)	Loans & Advances	Remune-ration payable	Lease Rent payable	Lease Rent security deposit	Unsecured Loan	Current a/c	Other Payables	Sundry Creditors	Dividend	Sundry Debtors	Invt in Equity Shares	Loans & Advances
31-Mar-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50	-	-	0.04	-	-	-	-
Mr. P. Velusamy																							
31-Mar-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-
31-Mar-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-
31-Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-
31-Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-
31-Mar-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-
Enterprises owned by KMP																							
Poornam Beverages P Ltd.																				-			
31-Mar-16	20.93	-	44.43	44.43	-	-	-	2.55	-	-	-	-	-	-	-	-	-	-	-	-	1.52	-	-
31-Mar-15	12.84	20.20	-	-	-	-	-	0.60	-	-	-	0.30	-	-	-	-	-	-	-	-	5.48	-	0.30
31-Mar-14	-	-	-	-	-	-	-	0.60	-	-	-	-	-	-	-	-	-	-	-	-	17.37	-	-
31-Mar-13	-	-	-	-	-	-	-	0.60	-	-	-0.10	-	-	-	-	-	-	-	2.09	-	-	-	-
31-Mar-12	-	-	-	-	-	-	-	0.60	-	-	-	-	-	0.54	-	-	-	-	1.67	-	-	-	-
S.P. Textiles																							
31-Mar-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.05	-	-	-	-
31-Mar-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.05	-	-	-	-
31-Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.05	-	-	-	-
31-Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.05	-	-	-	-
31-Mar-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.02	-	-	-	-
S.P. Lifestyles																							

Particulars	Transaction Details								Transaction Details				Outstanding Balances					Outstanding Balances					
	Sale of Goods & Service	Purchase of Goods & services	Purchase of Assets	Liabilities taken over	Royalty	Interest income	Remune -ration	Lease Rent Paid	Lease Rent Received	Interest Expenses	Unsecured loan Accepted / (Repaid)	Loans & Advances	Remune -ration payable	Lease Rent payable	Lease Rent security deposit	Unsecur ed Loan	Current a/c	Other Payables	Sundry Creditors	Dividend	Sundry Debtors	Invt in Equity Shares	Loans & Advances
31-Mar-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.18	-	-	-	0.40
31-Mar-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.37	-	-	-	-
31-Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.97	-	-	-	-
31-Mar-13	-	4.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.44
31-Mar-12	-	17.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.00
Enterprises owned by relatives of KMP																							
S.P. Superfine Mills P Ltd., Salem																							
31-Mar-16	0.05	-	266.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34.86	-	-	-	-
31-Mar-15	0.08	21.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.64	-	-	-	-
31-Mar-14	0.08	0.01		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	-
31-Mar-13	0.07	5.00		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31-Mar-12	0.04	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

S.P. Apparels Limited
Annexure 22: Standalone Statement of Tax Shelters, as restated

(Amount in ₹ million)

Particulars		For the year ended				
		31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Profit before exceptional item current and deferred taxes restated		481.21	254.9	125.64	52.21	68.23
Less:Exceptional Item		168.7	-	-	-	-
Profit before exceptional item current and deferred taxes as restated	**(A)**	312.51	254.90	125.64	52.21	68.23
Weighted average tax rate (%)	**(B)**	34.61%	33.99%	33.99%	32.45%	32.45%
Tax Expense at weighted average rate	**(C)**	166.54	86.64	42.71	16.94	22.14
Adjustments						
Permanent Differences						
Expenses disallowed / Income allowed		3.88	(22.62)	16.94	(16.93)	(21.63)
Dividend/income exempt under the Income Tax Act		(0.03)	-	-	(0.73)	(0.67)
Profit on sale of Investments/asset		0.52	(1.05)	(1.22)	0.61	(2.05)
Total	**(D)**	4.37	(23.67)	15.72	(17.05)	(24.35)
Temporary Differences						
Difference between book depreciation and tax depreciation		(36.52)	(27.09)	(74.07)	(96.16)	(88.36)
Gratuity		-	-	-	(0.21)	2.85
Leave Encashment		-	-	-	-	-
Bonus		-	-	-	(1.30)	6.05
Preliminary expenses		-	-	-	-	-
Provision for bad and doubtful debts/advances		0.95	0.40	(10.24)	10.24	-
Unabsorbed depreciation		(131.98)	(339.81)	(405.32)	(320.45)	(483.92)
Total	**(E)**	(167.55)	(366.50)	(489.63)	(407.88)	(563.38)
Net Adjustment (D+E)	**(F)**	(163.18)	(390.17)	(473.91)	(424.93)	(587.73)
Tax Saving thereon	**(G)**	(56.47)	(132.62)	(161.08)	(137.89)	(190.72)
Total tax saving (C+G)	**(H)**	110.06	(45.98)	(118.38)	(120.95)	(168.58)
Tax as per provisions of MAT (including Surcharge, Education Cess & Secondary & Higher Education Cess)	**(I)**	103	53.43	25.14	10.30	13.52
Current Tax provision for the year as per restated accounts - Amount higher of (H) or (I)	**(J)**	110.06	53.43	25.14	10.30	13.52
Increase/(decrease) in tax provision on account of:						
(Short)/excess provision of Tax		-	-	-	0.15	0.27
Tax impact on restatement		-	-	-	-	(6.19)
Current Tax provision for the year as per audited accounts	**(K)**	110.06	53.43	25.14	10.45	7.60
Provision for current domestic tax as per the books of accounts		66.89	53.43	25.14	10.45	7.60
MAT Credit Entitlement		(14.88)	(53.43)	(25.14)	(10.45)	(13.18)
Current Tax (MAT)		110.06	53.43	25.14	10.30	13.52
(Short)/excess provision of Tax		-	-	3.62	0.91	1.15
Total tax expenses as per the books of accounts (derived)		95.18	(0.00)	3.62	0.76	1.49
Total tax expenses as per Statement of Profit and Loss (restated)		52.01	-	3.62	0.91	1.76

INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
S.P. APPARELS LIMITED
39-A, Extension Street,
Kaikattipudur, Avinashi - 641654

Dear Sirs,

1. We have the examined the attached Restated Consolidated Financial Information of S.P. Apparels Limited ('the Company') and its subsidiaries (together referred to as 'the Group') as at and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012, which comprises of the restated consolidated assets and liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012, the restated consolidated statements of profit and loss and the restated consolidated cash flow statements for the years ended March 31, 2016, 2015, 2014, 2013 and 2012("the Restated Consolidated Financial Statements") as approved by the Board of Directors of the Company at their meeting held on June 06, 2016 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) and prepared in terms of the requirements of:

    a) Section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") and

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations").

2. We have examined such Restated Consolidated Financial Statements taking into consideration

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 31, 2015 in connection with the proposed IPO of the Company and

    b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

3. These Restated Consolidated Financial Information have been compiled by the Management based on the audited consolidated financial statements for the years ended March 31, 2014, 2013 and 2012 which have been approved by Board of directors at their meeting held on December 17, 2015, the audited consolidated financial statements as at and for the year ended March 31, 2015 which have been approved by Board of directors at their meeting held on August 28, 2015 and the audited consolidated financial statements as at and for the year ended March 31, 2016 which have been approved by Board of directors at their meeting held on June 06, 2016

4. We did not audit the financial statements of one subsidiary for the years ended March 31, 2016, 2015, 2014, 2013 and 2012, whose financial statements reflect total assets of ₹13.03 Million, ₹19.19 Million, ₹30.88 Million, ₹26.34 Million, ₹16.72 Million as at March 31, 2016, 2015, 2014, 2013 and 2012 respectively and total revenue of ₹0.60 Million, ₹1.11 Million, Nil, Nil, ₹0.21 Million for the years ending March 31, 2016, 2015, 2014, 2013 and 2012 respectively as considered in the consolidated financial statements. These financial statements have been audited by other auditor, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in these Restated Consolidated Financial Information are solely based on the reports of other auditor.

    The other auditor has confirmed that the restated financial information relating to above mentioned entities have been made after incorporating:

    (i) Material prior period items have been adjusted to the respective years to which such prior period items are related;

(ii) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(iii) Adjustments for the material amounts in the respective financial years to which they relate.

Further, the other auditor has confirmed that there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments. Accordingly, reliance has been placed on the financial information examined by them for the said years.

5. We did not audit the financial information of one subsidiary for the years ended March 31, 2016 and 2015 whose financial information reflect total assets of ₹4.05 Million, ₹0.93 Million, as at March 31, 2016 and 2015 respectively and total revenue of ₹20.08 Million, Nil for the years ending March 31, 2016 and 2015 respectively as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

6. Based on our examination, we further report that:

a) The Summary Statement of Restated Consolidated Assets and Liabilities of the Company as at March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure - 1 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.

b) The Summary Statement of Restated Consolidated Profit and Loss of the Company for years ended March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure - 2 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.

c) The Summary Statement of Restated Consolidated Cash Flows of the Company for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure - 3 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.

d) Based on the above, according to the information and explanations given to us, we are of opinion that the Restated Consolidated Financial Statements have been made after incorporating:

(i) Material prior period items as explained in Annexure 4 of these Restated Consolidated Financial Statements, have been adjusted to the respective period/years to which such prior period items related;

(ii) Adjustments for the material amounts in the respective financial years to which they relate and change in accounting policy, as explained in Annexure 4 of these Restated Consolidated Financial Statements;

(iii) Adjustments for material regrouping of balances to confirm the classifications/grouping and presentation followed for the year ended March 31, 2016; and

(iv) Adjustments for qualifications in the Auditors' reports as explained in Annexure 4 of these Restated Consolidated Financial Statements.

Further, there are no extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Statements requiring adjustments;

7. We have also examined the following restated financial information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on June 06, 2016 as at and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012

   (i) Annexure 5 – Summary of Significant Accounting Policies and Notes to Accounts
   (ii) Annexure 6 - Summary Statement of Share Capital, as restated
   (iii) Annexure 7 - Consolidated Summary Statement of Reserves and Surplus, as restated
   (iv) Annexure 8 - Consolidated Summary Statement of Secured and Unsecured Loans, as restated
   (v) Annexure 9 – Consolidated Summary Statement of Fixed Assets, as restated
   (vi) Annexure 10 – Consolidated Summary Statement of Non-Current Investments, as restated
   (vii) Annexure 11 – Consolidated Summary Statement of Current Investments, as restated
   (viii) Annexure 12 – Consolidated Summary Statement of Trade Receivables, as restated
   (ix) Annexure 13 – Consolidated Summary Statement of Loans and Advances, as restated
   (x) Annexure 14 – Consolidated Summary Statement of Other Current Assets, as restated
   (xi) Annexure 15 – Consolidated Summary Statement of Current Liabilities and Provisions, as restated
   (xii) Annexure 16 – Consolidated Summary Statement of Key Operational Income and Expenses, as restated
   (xiii) Annexure 17 –Consolidated Summary Statement of Other Income, as restated
   (xiv) Annexure 18 – Consolidated Summary Statement of Dividend Paid / Proposed by the Company
   (xv) Annexure 19 – Consolidated Summary Statement of Accounting Ratios
   (xvi) Annexure 20 – Consolidated Statement of Capitalisation, as restated
   (xvii) Annexure 21 - Consolidated Statement of Related Party transactions and balances, as restated

   In our opinion, the above financial information contained in Annexures 1 to 21 accompanying this report read along with the Significant Accounting Policies [Refer Annexure 5 (1)] are prepared after making adjustments and regroupings as considered appropriate to confirm the classifications/grouping and presentation followed for the year ended March 31, 2016 and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable; SEBI Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

10. Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
ICAI Firm's Registration No. 008072S

C.R. Rajagopal
Partner
Membership No. 23418

AVINASHI, JUNE 06, 2016

S.P. Apparels Limited

Annexure 1: Consolidated Summary Statement of Assets and Liabilities, as restated

(Amount in ₹ million)

Particulars		As at				
		31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
A	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a) Share capital	371.45	440.49	440.49	368.00	368.00
	(b) Reserves and surplus	955.68	592.73	503.39	436.73	413.09
		1,327.13	**1,033.22**	**943.88**	**804.73**	**781.09**
2	Minority Interest	(59.18)	(53.35)	(49.80)	(47.72)	(44.39)
3	**Non-current liabilities**					
	(a) Long-term borrowings	678.80	728.23	920.08	1,001.20	1,424.39
	(b) Deferred tax liabilities (net)	371.98	316.66	172.47	121.96	102.25
	(c) Long-term provisions	40.53	14.88	-	-	-
		1,091.31	**1,059.77**	**1,092.55**	**1,123.16**	**1,526.64**
4	**Current liabilities**					
	(a) Short-term borrowings	1,626.61	1,565.89	1,728.29	1,626.12	1,644.72
	(b) Trade payables	1,167.52	1,214.80	1,074.57	1,104.63	899.28
	(c) Other current liabilities	354.65	287.28	422.01	668.05	549.64
	(d) Short-term provisions	104.24	89.47	41.22	26.48	36.31
		3,253.02	3,157.44	3,266.09	3,425.28	3,129.95
	TOTAL (A)	**5,612.28**	**5,197.08**	**5,252.72**	**5,305.45**	**5,393.29**
B	**ASSETS**					
1	**Non-current assets**					
	(a) Fixed assets					
	(i) Tangible assets	2,701.14	2,680.36	2,768.59	2,907.84	2,727.22
	(ii) Intangible assets	9.56	15.06	20.32	25.59	30.85
	(iii) Capital work-in-progress	35.65	0.00	0.00	0.00	264.59
		2,746.35	2,695.42	2,788.91	2,933.43	3,022.66
	(b) Goodwill on consolidation	58.68	58.68	58.68	58.68	58.68
	(c) Non-current investments	3.78	4.56	0.00	0.50	0.50
	(d) Long-term loans and advances	290.15	232.29	158.06	111.53	90.13
		3,098.96	2,990.95	3,005.65	3,104.14	3,171.97
2	**Current assets**					
	(a) Current investments	1.65	3.19	7.08	9.15	9.20
	(b) Inventories	1,275.07	1,073.12	1,252.54	1,257.01	1,229.02
	(c) Trade receivables	816.10	742.94	541.97	509.24	567.55
	(d) Cash and bank balances	111.29	68.48	143.93	60.78	58.17
	(e) Short-term loans and advances	306.66	314.79	293.30	362.75	357.38
	(f) Other current assets	2.55	3.61	8.25	2.38	0.00
		2,513.32	2,206.13	2,247.07	2,201.31	2,221.32
	TOTAL (B)	**5,612.28**	**5,197.08**	**5,252.72**	**5,305.45**	**5,393.29**

The accompanying summary of restated financial information (Annexures - 5 to 21) forms an integral part of this statement.

In terms of our report attached		**For and on behalf of the Board of Directors**
For Deloitte Haskins & Sells		
Chartered Accountants		
C.R. Rajagopal	**P. Sundararajan**	**P. Latha**
Partner	**Managing Director**	**Executive Director**
Membership Number: 23418		
Place: Avinashi	V. Balaji	K. Vinodhini
Date: June 06, 2016	**Chief Financial Officer**	**Company Secretary**

S.P. Apparels Limited

Annexure 2: Consolidated Summary Statement of Profit and Loss, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
REVENUE					
Revenue from operations (gross)	5,328.25	4,725.66	4,508.72	4,285.03	4,007.86
Less: Excise duty	-	-	-	-	1.77
Revenue from operations (net)	5,328.25	4,725.66	4,508.72	4,285.03	4,006.09
Other income	49.29	66.67	12.01	3.88	10.08
Total revenue	**5,377.54**	**4,792.33**	**4,520.73**	**4,288.91**	**4,016.17**
Expenses					
(a) Cost of materials consumed	2,323.22	2,027.52	1,830.41	1,708.48	1,574.94
(b) Changes in inventories of finished goods and work-in-progress	-281.03	34.97	238.40	(8.14)	(69.14)
(c) Employee benefits expense	1,211.42	999.90	760.88	786.37	745.36
(d) Finance costs	252.72	311.60	355.71	343.26	403.38
(e) Depreciation and amortisation expense	201.00	199.67	176.16	168.85	163.14
(f) Other expenses (including the impact of qualification)	1,221.57	974.42	1,040.45	1,248.70	1,152.64
Total expenses	**4,928.90**	**4,548.08**	**4,402.01**	**4,247.52**	**3,970.32**
Profit / (Loss) before exceptional and extraordinary items and tax	448.64	244.25	118.72	41.39	45.85
Exceptional items (Expense) (Refer Note 2.2 to Annexure 4)	-	-	-	-	-
Exceptional items Income (Refer Note 2.2 to Annexure 4)	-	-	-	-	-
Profit / (Loss) before extraordinary items and tax	448.64	244.25	118.72	41.39	45.85
Extraordinary items	-	-	-	-	-
Profit / (Loss) before tax	448.64	244.25	118.72	41.39	45.85
Tax expense / (benefit):					
(a) Current tax expense	66.89	70.65	28.76	11.64	14.95
(b) (Less): MAT credit	-14.88	(68.89)	(25.14)	(10.45)	(7.60)
(c) Wealth Tax	-	-	-	0.18	-
(d) Deferred Tax	55.32	145.73	50.51	19.71	(51.85)
Net Tax expenses	107.33	147.49	54.13	21.08	(44.50)
Profit / (Loss) for the period / year before share of Minority Interest	**341.31**	**96.76**	**64.59**	**20.31**	**90.35**
Minority Interest	**-5.83**	**(3.72)**	**(2.08)**	**(3.33)**	**(6.72)**
Profit / (Loss) for the year, as restated	**347.14**	**100.48**	**66.67**	**23.64**	**97.07**

The accompanying summary of restated financial information (Annexures - 5 to 21) forms an integral part of this statement.

In terms of our report attached		**For and on behalf of the Board of Directors**
For Deloitte Haskins & Sells		
Chartered Accountants		
C.R. Rajagopal	**P. Sundararajan**	**P. Latha**
Partner	**Managing Director**	**Executive Director**
Membership Number: 23418		
Place: Avinashi	V. Balaji	K. Vinodhini
Date: June 06, 2016	**Chief Financial Officer**	**Company Secretary**

S.P. Apparels Limited
Annexure 3: Consolidated Summary Statement of Cash Flows, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and exceptional item	448.64	244.25	118.72	41.39	45.85
Adjustments for:					
Depreciation and amortization expense	201.00	199.67	176.16	168.85	163.14
(Profit) /loss on sale of assets	0.52	(1.05)	(0.93)	0.68	(0.80)
Net (gain)/loss on sale of investments	-	-	(0.29)	-	(1.20)
Bad debts written off	0.30	1.77	6.16	0.19	0.08
Reversal of Deferred Employee compensation expenses	-	-	-	-	-
Provision for doubtful trade receivables	0.95	0.40	(10.24)	6.48	-
Provision no longer required written back	-	-	-	-	-
Creditors no longer payable written back	-	-	-	-	(0.11)
Finance costs	252.72	311.60	355.71	343.26	403.38
Interest income	(4.86)	(5.20)	(9.41)	(0.71)	(4.56)
Unrealised exchange (gain)/loss	3.50	1.87	5.84	-	-
Provision for MTM (gain)/loss on forward contracts	3.61	(22.74)	16.18	(44.20)	(22.86)
Dividend income	(0.03)	-	-	(0.73)	(0.67)
Operating profits before working capital changes	906.35	730.57	657.90	515.21	582.25
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(201.95)	179.42	4.47	(27.99)	(277.17)
Trade receivables	(69.61)	(207.09)	(31.87)	51.64	(78.71)
Loans and advances/Current assets	(74.23)	(1.32)	34.82	20.67	64.86
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables/Other current liabilities/Provisions	(18.94)	163.90	(69.17)	238.08	29.22
Cash Generated from Operations	541.62	865.48	596.15	797.61	320.45
Net income tax (paid) / refunds	(60.33)	(29.57)	(15.18)	(10.21)	(9.26)
Net Cash from Operating Activities before exceptional item	481.29	835.91	580.97	787.40	311.19
Exceptional Item	-	-	-	-	-
Net cash flow from / (used in) operating activities	481.29	835.91	580.97	787.40	311.19
B. CASH FLOW FROM INVESTING ACTIVITIES					
Capital expenditure on fixed assets, including capital advances	(258.35)	(150.24)	(80.02)	(104.85)	(378.55)
Proceeds from sale of fixed assets	3.28	2.18	12.85	6.22	253.80
Bank deposits not considered as cash equivalents	(33.81)	80.73	(78.85)	17.35	(4.61)
Purchase of long term investments	(2.24)	(4.56)	-	-	(0.50)
Proceeds from sale of long term investments	4.58	3.89	2.86	0.05	4.20
Dividend received - Others	0.03	-	-	0.73	0.67
Interest received - Bank deposits	5.92	9.84	3.54	(1.67)	4.56
Net cash flow from / (used in) investing activities	(280.60)	(58.16)	(139.62)	(82.17)	(120.43)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Issue of Share capital	-	-	72.49	-	-
Proceeds/(repayment) of long term borrowings	4.19	(289.10)	(233.36)	(366.89)	(241.26)
Proceeds/(repayment) of short term borrowings	57.22	(160.29)	99.52	(18.60)	445.08
Finance costs	(253.05)	(323.05)	(375.73)	(299.78)	(403.38)
Net cash flow from / (used in) financing activities	(191.64)	(772.44)	(437.08)	(685.27)	(199.56)
Net increase / (decrease) in Cash and cash equivalents	9.05	5.31	4.27	19.96	(8.80)
Cash and cash equivalents at the beginning of the year	41.11	35.83	31.53	11.57	20.37
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.05)	(0.02)	0.03	-	-
Cash and cash equivalents at the end of the year	50.11	41.11	35.83	31.53	(11.57)
Cash and cash equivalents at the end of the year comprises of					
(a) Cash on hand	25.84	6.57	2.99	5.76	6.30
(b) Balances with banks					
in current account	24.27	34.54	32.84	25.77	4.92
in EEFC account	-	-	-	-	0.35
	50.11	**41.11**	**35.83**	**31.53**	**11.57**

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

In terms of our report attached		**For and on behalf of the Board of Directors**
For Deloitte Haskins & Sells		
Chartered Accountants		
C.R. Rajagopal	**P. Sundararajan**	**P. Latha**
Partner	**Managing Director**	**Executive Director**
Membership Number: 23418		
Place: Avinashi	V. Balaji	K. Vinodhini
Date: June 06, 2016	**Chief Financial Officer**	**Company Secretary**

S.P. Apparels Limited
Annexure 4: Consolidated Summary Statement of Adjustments to Audited Financial Information

(*Amount in ₹ million)*

Particulars	Note ref	For the year ended				
		31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Profit / (Loss) for the year before minority interest (as per audited accounts) (A)		**186.51**	**78.18**	**67.02**	**21.25**	**6.20**
Restatement Adjustments						
Increase / (decrease) in profits for restatement adjustments:						
- Other expenses	**Annexure 7**	-	-	-	-	30.24
- Exceptional item		168.70	-	-	-	-
Total effect of adjustments before tax (B)		168.70	-	-	-	30.24
Tax adjustments						
Current tax	**1**	(1.56)	(3.12)	2.43	0.94	7.34
Less: MAT credit	**1**	15.46	(15.46)	-	-	-
Deferred tax	**Annexure 7**		-	-	-	(61.25)
Total of tax adjustments (C)		13.90	(18.58)	2.43	0.94	(53.91)
Net effect of increase in profit/ (loss) on adjustments after tax (D) = (B - C)		**154.80**	**18.58**	**(2.43)**	**(0.94)**	**84.15**
Profit / (Loss) for the year before minority interest, as restated (E) = (A + D)		**341.31**	**96.76**	**64.59**	**20.31**	**90.35**

Note:

Material Regrouping

W.e.f, April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 in accordance with the requirements applicable for the year ended March 31, 2016.

Appropriate adjustments have been made in the Restated unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the quarter ended June 30, 2015, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

1. Prior period items

In the financial years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 audited financial statements had a provision towards tax and MAT Credit entitlement relating to earlier years. These provisions were recorded in the year when identified. However, for the purposes of restated summary statements, such prior period adjustment have been adjusted in respective year to which the provision relates to.

2 Audit qualifications

There are no qualifications in the Auditors' Reports for the years ended March 31, 2012 to March 31, 2016. The Statement of matters specified in the Companies (Auditors' Report) Order, 2015 and the Companies (Auditors' Report) Order, 2003, annexed to the Auditors' Report on the audited financial statements for the year ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014, March, 31 2015 and March 31, 2016 are as follows:

2.1 Adjusting items

There are no adjusting items.

2.2 Non-adjusting items

There are no non adjusting items.

Consolidated Auditors' Report

For the year ended March 31, 2016

a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹13.03 Million as at 31st March, 2016, total revenues of ₹0.60 Million and net cash flows amounting to ₹0.39 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's net share of profit of ₹ (3.85) Million for the year ended 31st March 2016 as considered in the consolidated financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

b) We did not audit the financial information of one subsidiary, whose financial information reflect total assets of ₹4.05 Million as at 31st March, 2016, total revenues of ₹20.08 Million and net cash flows amounting to ₹0.08 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's net share of profit of ₹ (12.85) Million for the year ended 31st March 2016 as considered in the consolidated financial statements have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

These are forming part of CARO and have not been considered in the restated consolidated financial statements

Discharge of Statutory dues

According to the information and explanations given to us, in respect of statutory dues, details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	AY 2009-10	22.58
Tamil Nadu VAT Act, 2006	VAT	DC (Appeals)	FY 2006-12	5.02
Finance Act, 1994	Service tax	CCE Appeals (I)	FY 2008-13	0.54

For the year ended March 31, 2015

(a) We did not audit the financial statements / financial information of Crocodile Products Private Limited, subsidiary, whose financial statements / financial information reflect total assets of ₹19.19 million as at 31st March, 2015, total revenues of ₹1.11 million and net cash flows amounting to ₹0.16 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor 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 this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

(b) We did not audit the financial statements / financial information of S.P. Apparels UK (P) Ltd subsidiary, whose financial statements / financial information reflect total assets of ₹0.93 million as at 31st March, 2015, total revenues of ₹0.00 million and net cash flows amounting to ₹0.93 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, 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, these financial statements / financial information are not material to the Group."

These are forming part of CARO and have not been considered in the restated consolidated financial statements

According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary company, in respect of statutory dues, dues of Income-tax, aggregating to ₹ 21.90 Million were due by Holding company for a period of 7 to 12 months. There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

Discharge of Statutory dues

According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary company, in respect of statutory dues, details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Statute	Forum where dispute is pending	Amount involved (₹ in million)
Income tax Act, 1961	CIT Appeals (II)	195.96
Tamil Nadu VAT Act, 2006	DC (Appeals)	5.02
Finance Act, 1994	CCE Appeals (I)	0.54

Delay in repayment of dues to Banks

In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, as at the balance sheet date, there were delay in the repayment of dues to banks aggregating to ₹ 60 Million by the Holding Company and the subsidiary company has not defaulted in the repayment of dues to banks. The Holding Company and subsidiary company have not issued any debentures.

For the year ended March 31, 2014

(a) We did not audit the financial statements / financial information of Crocodile Products Private Limited, subsidiary, whose financial statements / financial information reflect total assets of ₹30.88 million as at 31st March, 2014, total revenues of ₹0.00 million and net cash flows amounting to ₹(0.64) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor 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 this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

According to the information and explanations given to us, in respect of statutory dues of the Holding company and subsidiary company, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable, except for the Holding company the Advance tax under the Income tax Act amounting to ₹ 19.70 million pertaining to the financial year 2013-14.

These are forming part of CARO and have not been considered in the restated consolidated financial statements

Discharge of Statutory dues

According to the information and explanations given to us, in respect of statutory dues of the Holding company and subsidiary company, details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	2009-10	22.58
Income tax Act, 1961	Income tax	CIT Appeals (II)	2006-07	173.38
TNVAT Act	VAT	DC (Appeals)	2006-12	10.78

Delay in repayment of dues to Banks

In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, as at the balance sheet date, there were delay in the repayment of dues to banks aggregating to ₹ 64.40 million by the Holding Company which has subsequently been made good and the subsidiary company has not defaulted in the repayment of dues to banks. The Holding Company and subsidiary company have not issued any debentures.

For the year ended March 31, 2013

We did not audit the financial statements / financial information of Crocodile Products Private Limited, subsidiary, whose financial statements / financial information reflect total assets of ₹26.34 million as at 31st March, 2013, total revenues of ₹0.00 million and net cash flows amounting to ₹0.54 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor 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 this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

These are forming part of CARO and have not been considered in the restated consolidated financial statements
Discharge of Statutory dues

According to the information and explanations given to us, in respect of statutory dues of the Holding company and subsidiary company, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes except Income Tax for which the details are as given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income tax Act, 1961	Income tax	CIT Appeals (II)	2009-10	22.58
Income tax Act, 1961	Income tax	CIT Appeals (II)	2006-07	173.38

Delay in repayment of dues to Banks

In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, as at the balance sheet date, there were delay in the repayment of dues to banks aggregating to ₹ 90.78 million by the Holding Company which has subsequently been made good and the subsidiary company has not defaulted in the repayment of dues to banks. The Holding Company and subsidiary company have not issued any debentures.

For the year ended March 31, 2012

We did not audit the financial statements / financial information of Crocodile Products Private Limited, subsidiary, whose financial statements / financial information reflect total assets of ₹16.72 million as at 31st March, 2012, total revenues of ₹0.21million and net cash flows amounting to ₹(1.29) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor 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 this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

These are forming part of CARO and have not been considered in the restated consolidated financial statements

Discharge of Statutory dues

According to the information and explanations given to us, in respect of statutory dues of the Holding company and subsidiary company, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have been disputed except Income Tax for which the details are as given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in million)
Income Tax	Disallowance of expenditure	CIT Appeals	2008-09 & 2009-10	29.38

Delay in repayment of dues to Banks

In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, as at the balance sheet date, there were delay in the repayment of dues to banks aggregating to ₹ 102.96 million by the Holding Company which has subsequently been made good and the subsidiary company has not defaulted in the repayment of dues to banks. The Holding Company and subsidiary company have not issued any debentures.

Exceptional Item

Exceptional items (Expense) constitutes ₹ 168.70 million of the Holding Company pertaining to the loss on crystallisation of option / swap / forward contracts taken during the previous year to hedge the foreign exchange exposure on forecasted receivables.
Exceptional items income constitutes ₹ 5.5 million of the subsidiary company pertaining to the reversal of provision held on account of Provision for obsolescence stocks and provision for contingency

S.P. Apparels Limited
Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

1. Significant Accounting Polices

1.1.1 Basis of Accounting and preparation of restated consolidated financial statements

The restated consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act").The restated consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the restated consolidated financial statements are consistent with those followed in the previous year.

The accounting policies have been consistently applied by the Group and are consistent across all the years presented.

1.1.2 Principles of consolidation

The restated consolidated financial statements relate to S.P. Apparels Limited (the 'Company') its subsidiary companies. The restated consolidated financial statements have been prepared on the following basis:

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2016. These have been restated consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of such financial statements and these restated consolidated financial statements.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'Goodwill' being an asset in the restated consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the restated consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

Minority Interest in the net assets of the restated consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

Goodwill arising on consolidation is not amortized but tested for impairment.

Following subsidiary companies have been considered in the preparation of the restated 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, 2016	March 31, 2016
Crocodile Products Private Limited	Subsidiary	India	S.P. Apparels Limited	70%	70%
S.P. Apparels UK (P) Limited	Subsidiary	U.K	S.P. Apparels Limited	100%	100%

The restated consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

1.3 Inventories

Inventories are valued at the lower of cost and the net realizable 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. Fabric Waste is valued at net realizable value.

1.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.6 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

General Plant & Machinery	-	20 years
Computers & Servers	-	5 years
Buildings – others	-	30 years
Office Equipments	-	10 years
Vehicles Car	-	10 years
Vehicles Others	-	8 years

Leasehold land is amortized over the duration of the lease.

Intangible assets are amortized over their estimated useful life on straight line method.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

1.7 Revenue Recognition

Sale of Goods:

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers.

Income from Services:

Revenue from job work undertaken is recognized on dispatch of goods to the customer on completion of Job work

1.8 Other income

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

1.9 Fixed Assets (Tangible/ Intangible)

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till the project is ready for its intended use.

Intangible assets include software and Trademarks. Software licenses are amortized over a period of five years. Trademarks would be amortized on a straight line basis over their expected useful lives.

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

1.10 Foreign Currency Transactions and Translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at year end exchange rates. Non-monetary items are carried at historical cost. All assets and liabilities of non-integral operations are translated at year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss. Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognized as income / expense in the same period in which the gain or loss on disposal is recognized.

1.11 Government grants, subsidies and export incentives

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which is intended to compensate. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.
Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.12 Investments

Long-term investment, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.13 Employee benefits

<u>Defined Contribution Plans</u>

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.

<u>Defined Benefit Plan</u>

<u>Gratuity</u>

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur.

<u>Short Term Employee Benefits</u>

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized 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.

1.14 Borrowing Costs

Borrowing costs include interest (net of TUF subsidy), amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.15 Segment reporting

The Group is in the business manufacture of knitted garments. There are no separate reportable primary segments as per Accounting Standard 17 (AS17). Secondary segmental reporting is based on geographical location.

1.16 Leases

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.17 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.

1.18 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized.

1.19 Impairment of 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 amortized 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 recognized for such excess amount. The impairment loss is recognized 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.

When there is indication that an impairment loss recognized 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 recognized 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 recognized.

1.20 Provisions and contingencies

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

2. **Notes to Accounts**

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

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

2.3. Long term Loans and Advances as on April 01, 2011 includes ₹ 168.70 Million considered recoverable from a bank in respect of payments made towards matured foreign currency contracts. The Holding Company has filed a suit which is in the hearing stage. The Company has made adjustments to the retained earnings for the purpose of consolidated restated financial statements.

2.4. **Details Of Contingent Liabilities and Commitments**

(*Amount in ₹ million)*

Particulars	As at				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Outstanding export obligations for EPCG license	178.11	290.83	-	-	-
Bank Guarantees	4.40	-	-	-	4.34
ESI Demand	-	-	-	-	2.86
Income Tax Demand - disputed (Refer Note (i) below)	34.09	202.96	202.96	202.96	29.58
Service Tax - disputed	0.54	0.54	-	-	-
VAT - disputed	5.02	5.02	10.78	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	56.71	0.80	14.86	26.06	64.50
Total	**278.87**	**500.15**	**228.60**	**229.02**	**101.28**

2.5. Consequent to implementation of the Companies Act 2013 and the change in the useful life of the assets, the depreciation charge for the year is higher by ₹ 17.83 Million. With respect to assets whose useful life has been exhausted, as at April 01, 2014 the residual value amounting to ₹3.29 Million (Net of Deferred Tax) has been adjusted against the opening Surplus balance in the Restated Consolidated Statement of Profit and Loss under Reserves and Surplus.

2.6. **Deferred tax liabilities (Net)**

(*Amount in ₹ million)*

Particulars	As at				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Tax effect of items constituting deferred tax liabilities					
On difference between book balance and tax balance of fixed assets	-373.70	-360.55	-353.68	-322.55	-276.81
Tax effect of items constituting deferred tax assets					
Unabsorbed depreciation carried forward	-	51.48	175.71	198.01	158.70
Others	1.72	-7.59	5.50	2.58	15.86
Deferred tax liabilities (net)	-371.98	-316.66	-172.47	-121.96	-102.25
The entities in the Group have recognized deferred tax asset on unabsorbed depreciation based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Group.					

2.7. **Employee benefit plans**

Defined contribution plan

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the entities in the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. Following are the amounts the Group has recognized for Provident Fund contributions and Employee State Insurance Scheme contributions in the Restated Consolidated Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(*Amount in ₹ million)*

Particulars	for the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Contribution to Provident Fund	58.99	42.09	24.40	31.30	37.37
Contribution to Employees' State Insurance	23.88	18.91	11.13	28.18	14.36

Defined benefit plan

The Group offers gratuity benefit scheme to its employees. The following table sets out the funded status of the defined benefit scheme and the amount recognized in the financial statements:

(Amount in ₹ million)

Particulars	As at / for the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Changes in present value of obligation during the year					
Present value of obligation as on 1st April	30.81	19.60	16.15	19.42	19.77
Interest Cost	2.50	1.42	1.56	1.61	1.68
Current Service Cost	10.02	9.69	6.49	6.83	9.72
Benefits paid	-4.90	-3.39	-2.65	-3.21	-3.98
Actuarial Gain/ (Loss) on Obligations	4.00	3.49	-1.95	-8.50	-7.77
Present value of obligation as on 31st March	42.43	30.81	19.60	16.15	19.42
Change in Fair Value of Assets during the year					
Fair Value of Plan Assets as at 1st April	0.68	3.39	1.08	3.72	7.11
Expected return on plan assets	-	-0.04	0.18	0.20	0.51
Contributions made	4.90	0.56	4.85	0.41	0.08
Benefits paid	-4.90	-3.39	-2.65	-3.21	-3.98
Actuarial Gain/ (Loss) on plan assets	-0.09	0.16	-0.07	-0.04	-
Fair Value of Plan Assets as at 31st March	0.59	0.68	3.39	1.08	3.72
Net Asset/(Liability) recognized in the Restated Consolidated Balance sheet					
Present value of obligation as on 31st March	42.43	30.81	19.60	16.15	19.42
Fair Value of Plan Assets as at 31st March	0.59	0.68	3.39	1.08	3.72
Funded Status Surplus/(deficit)	41.84	30.13	16.21	15.07	15.70
Unrecognised past Service Cost	-	-	-	-	-
Net Asset/(Liability) to be recognized in the Restated Consolidated Balance sheet	41.84	30.13	16.21	15.07	15.70
Expenses recognized during year					
Current Service Cost	10.02	9.69	6.49	6.83	9.72
Interest Cost	2.50	1.42	1.56	1.61	1.68
Expected return on plan assets	-	0.04	-0.18	-0.20	-0.51
Actuarial Gain/ (Loss) on Obligations	4.09	3.33	-1.88	-8.46	-7.77
Expenses to be recognized in Restated Consolidated Statement of Profit and Loss	16.61	14.48	5.99	-0.22	3.12
Actuarial Assumptions					
Discount Rate	7.80%	7.82%	9.15%	8.05%	8.00%
Expected return on plan assets	0.00%	8.00%	0.00%	8.05%	8.00%
Rate of escalation in salary	5.00%	7.00%	7.00%	7.00%	6.50%
Attrition rate	5.00%	5.00%	5.00%	5.00%	1.00% - 3.00%
Mortality rate	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)

The Discount rate is based on the prevailing market yields of Government of India Securities as at the Balance sheet date for the estimated term of the obligations.

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

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

Segment Information

Primary Segment by products

The Group operates primarily in a single business segment of Manufacture and Sale in Garments

Secondary Segment by Geographical area based on location of customers

(*Amount in ₹ million*)

Particulars	as at / for the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
Segment Revenue					
Outside India	4261.74	3,718.01	3,303.02	3,287.29	3,082.23
Within India	1,066.51	1,007.65	1,205.70	997.74	923.86
Segment Assets					
Outside India	707.35	626.67	427.01	430.31	445.76
Within India	4,904.93	4,570.41	4,825.71	4,875.14	4,947.53
Capital expenditure	255.73	111.97	43.56	351.11	505.20

Details of leasing arrangements

(i) Finance lease obligation relating to Vehicles

(Amount in ₹ million)

Particulars	for the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Reconciliation of minimum lease payments					
Future minimum lease payments for a period of					
not later than one year	2.18	2.18	-	-	-
later than one year and not later than five years	4.33	6.51	-	-	-
later than five years	-	-	-	-	-
	6.51	8.69	-	-	-
Less: Unmatured finance charges	0.86	1.49	-	-	-
Present value of minimum lease payments payable	5.65	7.20	-	-	-
not later than one year	2.08	2.08	-	-	-
later than one year and not later than five years	3.57	5.12	-	-	-
later than five years		-	-	-	-

(ii) Operating lease arrangements

The Group has cancellable operating lease agreements for rental building space. As per the lease terms an amount of ₹ 43.31 Million (for the year ended 31st March 2015 ₹22.23 Million; for the year ended 31st March 2014 ₹22.75 Million) is charged to statement of Profit and Loss account.

The Holding Company has acquired the assets of 12 stores owned by Poornam Enterprises Private Limited through slump sale agreement dated 31-July-2015(Effective Date 01-August-2015). The assets acquired include fixed assets of ₹ 16.63 Million, rental advances of ₹ 8.77 Million and stock of garments ₹19.03 and liabilities amounting to ₹ 44.43 Million of the retail network.

The figures have been re-grouped / re-classified wherever necessary.

S.P. Apparels Limited
Annexure 6: Consolidated Summary Statement of Share Capital, as restated

(Amount in ₹ million)

Particulars	31-Mar-16		31-Mar-15		31-Mar-14		31-Mar-13		31-Mar-12	
	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million
(a) Authorised										
Equity shares of ₹ 10/- each with voting rights	27,250,000	272.50	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
10% Redeemable preference shares of ₹10/- each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily Convertible preference shares of ₹10/- each	-	-	7,250,000	72.50	7,250,000	72.50	-	-	-	-
	47,250,000	472.50	47,250,000	472.50	47,250,000	472.50	40,000,000	400.00	40,000,000	400.00
(b) Issued										
Equity shares of ₹ 10/- each with voting rights	17,145,212	171.45	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
10% Redeemable preference shares of ₹10/- each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily Convertible preference shares of ₹10/- each	-	-	7,249,454	72.49	7,249,454	72.49	-	-	-	-
	37,145,212	371.45	44,049,454	440.49	44,049,454	440.49	36,800,000	368.00	36,800,000	368.00
(c) Subscribed and fully paid up										
Equity shares of ₹ 10/- each with voting rights	17,145,212	171.45	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
10% Redeemable preference shares of ₹10/- each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily Convertible preference shares of ₹10/- each	-	-	7,249,454	72.49	7,249,454	72.49	-	-	-	-
	37,145,212	371.45	44,049,454	440.49	44,049,454	440.49	36,800,000	368.00	36,800,000	368.00
Total	**37,145,212**	**371.45**	**44,049,454**	**440.49**	**44,049,454**	**440.49**	**36,800,000**	**368.00**	**36,800,000**	**368.00**

Notes

i) **Terms & Condition of Equity Share Capital**

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

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

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

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

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

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

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

(Amount in ₹ million)

Particulars	31-Mar-16		31-Mar-15		31-Mar-14		31-Mar-13		31-Mar-12	
-	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Equity Shares with voting rights										
P. Sundararajan	11,980,000	69.87%	11,980,000	71.31%	11,980,000	71.31%	11,980,000	71.31%	11,980,000	71.31%
S. Latha	3,000,000	17.50%	3,000,000	17.86%	3,000,000	17.86%	3,000,000	17.86%	3,000,000	17.86%
NYLIM - India Fund	1,800,000	10.50%	1,800,000	10.71%	1,800,000	10.71%	1,800,000	10.71%	1,800,000	10.71%
10% Redeemable Preference Shares										
P. Sundararajan	10,000,000	50.00%	10,000,000	50%	10,000,000	50%	10,000,000	50%	10,000,000	50%
S. Latha	10,000,000	50.00%	10,000,000	50%	10,000,000	50%	10,000,000	50%	10,000,000	50%
6 % Compulsorily convertible preference shares - Compulsory										
M/s. Euro Asia Agencies Ltd, Hong Kong	-	-	7,249,454	100%	7,249,454	100%	-	-	-	-

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

(Amount in ₹ million)

Particulars	**31-Mar-16**		**31-Mar-15**		**31-Mar-14**		**31-Mar-13**		**31-Mar-12**	
	No of Shares	**₹ in million**	**No of Shares**	**₹ in million**	**No of Shares**	**₹ in million**	**No of Shares**	**₹ in million**	**No of Shares**	**₹ in million**
Equity Shares with voting rights										
Beginning of the year	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
Movement during the year	345,212	3.45	-	-	-	-	-	-	-	-
End of the year	17,145,212	171.45	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00	16,800,000	168.00
10% Redeemable Preference Shares										
Beginning of the year	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	-	-
Movement during the year	-	-	-	-	-	-	-	-	20,000,000	200.00
End of the year	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
6 % Compulsorily convertible preference shares										
Beginning of the year	7,249,454	72.49	7,249,454	72.49	-	-	-	-	-	-
Movement during the year	-7,249,454	-72.49	-	-	7,249,454	72.49	-	-	-	-
End of the year	-	-	7,249,454	72.49	7,249,454	72.49	-	-	-	-

S.P. Apparels Limited

Annexure 7: Consolidated Summary Statement of Reserves and Surplus, as restated

(Amount in ₹ million)

Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
(a) Securities premium account					
Opening balance	333.19	333.19	333.19	333.19	333.19
Add: Premium on shares issued during the year	69.04	-	-	-	-
Less: Utilised during the year for	-	-	-	-	-
Closing balance	402.23	333.19	333.19	333.19	333.19
(b) Share options outstanding account					
Opening balance	-	-	-	-	-
Less: Written back to Statement of Profit and Loss during the year	-	-	-	-	-
Closing balance	-	-	-	-	-
(c) Foreign currency fluctuation reserve					
Opening balance	-0.02	-	-	-	-
For the period	-0.26	-0.02	-	-	-
Closing balance	-0.28	-0.02	-	-	-
(d) Surplus / (Deficit) in Consolidated Statement of Profit and Loss					
Opening balance	259.56	170.20	103.54	79.90	-22.75
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred Tax)	-	3.30	-	-	-
Add: Restated Profit / (Loss) for the year	347.14	100.48	66.67	23.64	102.65
Less: Dividends proposed to be distributed to preference shareholders	44.00	6.53	-	-	-
Less: Tax on dividend	8.97	1.30	-	-	-
Closing balance	553.73	259.56	170.20	103.54	79.90
Total	**955.68**	**592.73**	**503.39**	**436.73**	**413.09**

Surplus in Consolidated Statement of Profit and Loss as at 1-Apr-2011, as restated

(Amount in ₹ million)

Particulars	Amount
Opening balance as at 1-Apr-2011	237.90
Less:	
Adjustments of loans and advances (refer note below)	168.70
Adjustments of qualification	
Mark to Market	30.24
Deferred tax	61.25
Tax relating to earlier years	0.46
Opening balance as at 1-Apr-2011, as restated	**-22.75**

Note:

Long term Loans and Advances as on April 01, 2011 includes ₹ 168.70 Million considered recoverable from a bank in respect of payments made towards matured foreign currency contracts. The Holding Company has filed a suit which is in the hearing stage. The Company has made adjustments to the retained earnings for the purpose of consolidated financial statements, as restated.
For the year ended March 31, 2011 the following are the qualifications in the Auditors' Report of the Holding Company, which has been appropriately dealt with in this consolidated financial statements, as restated:

Note number 23 (a) of Schedule 20 forming part of financial statements regarding non recognition of mark to market loss on outstanding foreign exchange forward contract amounting to ₹ 30.24 million. This was the subject matter of qualification of our audit report for the preceding financial year also.

Note number (B) 2 of Schedule 20 forming part of financial statementsregarding recognition of deferred tax expenses using current applicable effective rate, being the minimum alternate tax (MAT) rate, instead of regular tax rate. Had the Company recognised the deferred tax expenses using regular tax rates, the deferred tax expenses for the year would be higher by ₹ 61.25 million.

S.P. Apparels Limited

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

(Amount in ₹ million)

Particulars		As at				
		31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
Secured loans						
- Term loans from banks		739.15	595.41	888.47	1,196.77	1,606.15
- Finance lease obligations		5.59	7.11	-	0.63	0.83
- Loan from banks repayable on demand		1551.08	1,561.69	1,728.29	1,626.12	1,628.20
Total	**A**	**2295.82**	**2,164.21**	**2,616.76**	**2,823.52**	**3,235.18**
Unsecured loans						
- Loan from Related Parties		296.57	360.12	362.27	285.90	244.57
- Loan from banks repayable on demand		-	-	-	-	16.52
- Other Loans and advances		1.25	4.40	1.20	2.00	0.64
Total	**B**	**297.82**	**364.52**	**363.47**	**287.90**	**261.73**
Total borrowings (A + B)		**2593.64**	**2,528.73**	**2,980.23**	**3,111.42**	**3,496.91**
Total borrowings represented by:						
- Long-term borrowings		678.8	728.23	920.08	1,001.20	1,424.39
- Short-term borrowings		1626.61	1,565.89	1,728.29	1,626.12	1,644.72
- Current maturities of long-term borrowings (included in other-current liabilities)		288.23	234.61	331.86	484.10	427.80
Total		**2593.64**	**2,528.73**	**2,980.23**	**3,111.42**	**3,496.91**

S.P. Apparels Limited
Annexure 9: Consolidated Summary Statement of Fixed Assets, as restated

(Amount in ₹ million)

NAME OF THE ASSET	As at March 31, 2016			As at March 31, 2015		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Tangible Assets						
Land - Free hold	5.77	-	5.77	4.43	-	4.43
Land - Lease hold	13.53	1.14	12.39	13.03	1.01	12.02
Buildings	1,528.32	381.82	1,146.50	1,497.69	333.41	1,164.28
Plant & Machinery	2,194.56	884.73	1,309.83	2,105.49	799.40	1,306.09
Electrical Installations	100.82	43.47	57.35	68.97	27.28	41.69
Furniture & Fittings	145.93	72.22	73.71	115.27	57.33	57.94
Vehicles	32.54	25.09	7.45	37.48	27.72	9.76
Vehicles Leasehold	10.44	1.27	9.17	10.47	0.53	9.94
Lab Equipments	10.19	8.50	1.69	10.15	7.74	2.41
Office Equipments	125.70	72.59	53.11	112.18	59.56	52.62
Windmill	-	-	-	-	-	-
Computers	127.60	103.43	24.17	116.17	96.99	19.18
Sub-Total	**4,295.40**	**1,594.26**	**2,701.14**	**4,091.33**	**1,410.97**	**2,680.36**
Intangible Assets						
Goodwill	40.16	33.36	6.80	40.15	29.34	10.81
Brand / Trade Marks	17.26	14.50	2.76	17.26	13.01	4.25
Sub-Total	**57.42**	**47.86**	**9.56**	**57.41**	**42.35**	**15.06**
Total	**4,352.82**	**1,642.12**	**2,710.70**	**4,148.74**	**1,453.32**	**2,695.42**

NAME OF THE ASSET	As at March 31, 2014			As at March 31, 2013			As at March 31, 2012		
	Gross Block	**Accumulated Depreciation**	**Net Block**	**Gross Block**	**Accumulated Depreciation**	**Net Block**	**Gross Block**	**Accumulated Depreciation**	**Net Block**
Tangible Assets									
Land - Free hold	4.43	-	4.43	4.43	-	4.43	4.43	-	4.43
Land - Lease hold	13.03	0.89	12.14	13.03	0.76	12.27	13.03	0.63	12.40
Buildings	1,481.90	285.50	1,196.40	1,481.52	238.12	1,243.40	1,182.65	200.41	982.24
Plant & Machinery	2,069.64	713.09	1,356.55	2,054.58	620.38	1,434.20	2,039.43	528.70	1,510.73
Electrical Installations	51.47	13.19	38.28	49.61	10.21	39.40	46.31	7.43	38.88
Furniture & Fittings	110.82	41.48	69.34	107.56	33.22	74.34	101.26	25.45	75.81
Vehicles	43.66	30.46	13.20	49.42	30.53	18.89	50.63	26.62	24.01
Vehicles Leasehold									
Lab Equipments	10.15	6.47	3.68	10.15	6.10	4.05	9.95	5.74	4.21
Office Equipments	90.32	39.04	51.28	86.15	35.10	51.05	83.09	31.30	51.79
Windmill	-	-	-	-	-	-	-	-	-
Computers	113.80	90.51	23.29	110.64	84.83	25.81	97.70	74.98	22.72
Sub-Total	**3,989.22**	**1,220.63**	**2,768.59**	**3,967.09**	**1,059.25**	**2,907.84**	**3,628.48**	**901.26**	**2,727.22**
Intangible Assets									
Goodwill	40.15	25.33	14.82	40.15	21.31	18.84	40.15	17.30	22.85
Brand / Trade Marks	17.26	11.76	5.50	17.26	10.51	6.75	17.26	9.26	8.00
	-	-	-	-	-	-	-	-	-
Sub-Total	**57.41**	**37.09**	**20.32**	**57.41**	**31.82**	**25.59**	**57.41**	**26.56**	**30.85**
Total	**4,046.63**	**1,257.72**	**2,788.91**	**4,024.50**	**1,091.07**	**2,933.43**	**3,685.89**	**927.82**	**2,758.07**

S.P. Apparels Limited

Annexure 10: Consolidated Summary Statement of Non-Current Investments, as restated

(*Amount in ₹ million)*

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
Unquoted; Trade					
Investment in Equity Instruments					
in Other Entities					
(i) 36,480 shares (As at 31st March 2014 – NIL) of ₹ 10 /-each fully paid up in Gayathri Sustainable Energies India Private Limited	0.36	0.36	-	-	-
(ii) 4,20,400 shares (As at 31st March 2014 – NIL) of ₹ 10 /-each fully paid up in LNGS P Ltd.	1.17	4.20	-	-	-
(iii) 10340 shares (As at 31st March 2015 – NIL) of ₹ 10 /-each fully paid up in Rasi G Energy P Limited	0.16	-	-	-	-
(iv) 28,000 shares (As at 31st March 2015 – NIL) of ₹ 11 /-each fully paid up in OPG Power Generation P Ltd, Chennai	0.31	-	-	-	-
(v) 1775shares (As at 31st March 2015 – NIL) of ₹ 1000 /-each fully paid up in Netaji Apparel Park	1.78	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Other Investments					
Investment in Mutual Funds					
SBI Tax Advantage - Fund Series	-	-	-	0.50	0.50
Total	**3.78**	**4.56**	**-**	**0.50**	**0.50**

S.P. Apparels Limited

Annexure 11: Consolidated Summary Statement of Current Investments, as restated

(At lower of cost and market value unless otherwise stated)

(Amount in ₹ million)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
Current portion of the Long Term Investments					
Unquoted					
Investments in Mutual Funds					
Milestone Real estate fund	1.65	3.19	7.08	9.15	9.20
Total	**1.65**	**3.19**	**7.08**	**9.15**	**9.20**

S.P. Apparels Limited
Annexure 12: Consolidated Summary Statement of Trade Receivables, as restated

(Amount in ₹ million)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment					
Unsecured, considered good	83.36	8.01	15.68	20.64	29.64
Doubtful	1.35	0.40	-	10.24	3.76
	84.71	8.41	15.68	30.88	33.40
Less: Provision for doubtful trade receivables	1.35	0.40	-	10.24	3.76
	83.36	8.01	15.68	20.64	29.64
Other Trade receivables					
Unsecured, considered good	732.74	734.93	526.29	488.60	537.91
Total	**816.10**	**742.94**	**541.97**	**509.24**	**567.55**

S.P. Apparels Limited

Annexure 13: Consolidated Summary Statement of Loans and Advances, as restated

LONG TERM LOANS AND ADVANCES
[Unsecured, considered good]

(Amount in ₹ million)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
(a) Capital advance	28.69	24.26	21.77	18.84	15.24
(b) Security Deposits	76.34	62.92	55.20	38.02	31.07
(c) MAT Credit Entitlement	142.38	127.50	58.61	33.47	23.03
(d) Balances with Government Authorities					
(i) VAT Credit Receivable	0.09	0.66	0.66	0.63	0.62
(ii) Income Tax Receivable	11.15	11.58	11.30	11.29	10.89
(iii) Others	3.15	5.16	5.58	4.34	4.34
(e) Other Loans and Advances	28.35	0.21	4.94	4.94	4.94
Total	**290.15**	**232.29**	**158.06**	**111.53**	**90.13**

SHORT TERM LOANS AND ADVANCES
[Unsecured, considered good]

(Amount in ₹ million)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
(a) Loans and advances to related parties	0.40	0.70	-	9.91	-
(b) Security deposit	-	-	-	8.70	13.44
(b) Loans and advances to employees	0.51	1.07	0.64	0.54	0.33
(c) Prepaid expenses	10.47	9.66	7.40	8.58	6.54
(d) Balances with government authorities					
(i) Export Incentives Receivables	113.05	148.39	133.04	124.99	99.80
(ii) VAT credit receivable	44.70	38.52	17.14	16.77	21.06
(iii) Service Tax credit receivable	-	-	0.01	0.61	7.60
(iv) Terminal excise duty receivable	0.56	0.16	-	1.83	3.06
(v) TUF receivable	34.82	28.03	36.25	43.28	40.47
(vi) Interest subvention receivable	0.60	-	-	-	-
(vii) Income Tax refund receivable	-	-	-	-	3.82
(viii) Others	-	-	-	-	-
(e) Others					
(i) Advance to suppliers	61.78	44.69	71.11	105.58	134.83
(ii) Others	39.77	43.57	27.71	41.96	26.43
Total	**306.66**	**314.79**	**293.30**	**362.75**	**357.38**

S.P. Apparels Limited
Annexure 14: Consolidated Summary Statement of Other Current and Non-Current Assets, as restated

INVENTORIES

(*Amount in ₹ million)*

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
(a) Raw Materials	359.04	496.16	606.77	433.65	420.70
(b) Work-in-progress	531.38	370.10	413.36	674.93	636.53
(c) Finished goods (other than those acquired for trading)	221.34	101.59	93.30	70.13	100.39
(d) Stores and Consumables	163.31	105.27	139.11	78.30	71.40
Total	**1,275.07**	**1,073.12**	**1,252.54**	**1,257.01**	**1,229.02**
DETAILS OF INVENTORIES OF WORK-IN-PROGRESS					
(a) Garments	505.43	344.56	389.83	662.11	631.53
(b) Yarn	25.95	25.54	23.53	12.82	5.00
Total	**531.38**	**370.10**	**413.36**	**674.93**	**636.53**

CASH AND BANK BALANCES

(*Amount in ₹ million)*

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
A. Cash and cash equivalents					
(a) Cash on hand	25.84	6.57	2.99	5.76	6.30
(b) Balances with banks					
(i) in current accounts	24.27	34.54	32.84	25.77	4.92
(ii) in EEFC accounts					0.35
Total - Cash and cash equivalents (A)	**50.11**	**41.11**	**35.83**	**31.53**	**11.57**
B. Other bank balances					
(a) in earmarked accounts					
Balance held as margin money or security against borrowings	61.18	27.37	108.10	29.25	46.60
Total - Other bank balances (B)	**61.18**	**27.37**	**108.10**	**29.25**	**46.60**
Total (A + B)	**111.29**	**68.48**	**143.93**	**60.78**	**58.17**

OTHER CURRENT ASSETS

(*Amount in ₹ million)*

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
(a) Accruals - Interest accrued on deposits	2.55	3.61	8.25	2.38	-
(b) Others - Insurance claims	-	-	-	-	-
Total	**2.55**	**3.61**	**8.25**	**2.38**	**-**

S.P. Apparels Limited

Annexure 15: Consolidated Summary Statement of Current Liabilities and Provisions, as restated

TRADE PAYABLES

(Amount in ₹ million)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
Trade payables:					
a) Dues to micro and small enterprises	-	-	-	-	-
b) Others	1,167.52	1,214.80	1,074.57	1,104.63	899.28
Total	**1,167.52**	**1,214.80**	**1,074.57**	**1,104.63**	**899.28**

OTHER CURRENT LIABILITIES

(Amount in ₹ million)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
(a) Current maturities of long-term debt	286.54	233.09	331.86	483.47	426.97
(b) Current maturities of finance lease obligations	1.69	1.52	-	0.63	0.83
(c) Interest accrued but not due on borrowings	4.23	0.54	-	-	-
(d) Interest accrued and due on borrowings	7.45	11.47	23.46	43.48	-
(e) Other payables					
(i) Statutory remittances	20.40	18.25	10.45	45.82	10.67
(ii) Payables on purchase of fixed assets	18.77	17.12	52.90	86.43	101.16
(iv) Trade / security deposits received	7.92	3.95	2.42	1.02	9.19
(v) Advance from Related Parties	-	-	-	-	-
(vi) Advance from customers	7.65	1.34	0.92	7.20	0.82
(vii) Others		-	-	-	-
Total	**354.65**	**287.28**	**422.01**	**668.05**	**549.64**

PROVISIONS

LONG TERM PROVISIONS

(Amount in ₹ million)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
(a) Provision for employee benefits:					
(ii) Provision for gratuity (net)	40.53	14.88	-	-	-
Total	**40.53**	**14.88**	**-**	**-**	**-**

SHORT TERM PROVISIONS

(*Amount in ₹ million)*

Particulars	As at 31 Mar 2016	As at 31 Mar 2015	As at 31 Mar 2014	As at 31 Mar 2013	As at 31 Mar 2012
(a) Provision for employee benefits:					
(i) Provision for compensated absences	4.20	-	-	-	-
(ii) Provision for gratuity (net)	1.31	15.25	16.21	15.07	15.70
(b) Provision - Others:					
(i) Provision for tax (net of advance tax)	45.76	66.39	25.01	11.41	13.23
(ii) Provision for Proposed preference dividend	44.00	6.53	-	-	-
(iii) Provision for tax on proposed preference dividend	8.97	1.30	-	-	-
(iv) Provision for MTM losses on forward contracts	-	-	-	-	7.38
Total	**104.24**	**89.47**	**41.22**	**26.48**	**36.31**

Note:

There are no dues to Micro and Small Enterprises as at the Balance Sheet date. The Micro and Small Enterprises have been identified on the basis of information available with the Company and its subsidiaries which has been relied upon by the auditors.

S.P. Apparels Limited
Annexure 16: Consolidated Summary Statement of Key Operational Income and Expenses, as restated

Revenue from operations

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**31-Mar-12**
(a) Sale of Products	4,798.85	4,179.68	3,994.01	3,913.71	3,575.22
(b) Sale of Services	138.85	208.21	207.73	89.33	122.73
(c)Other Operating Revenues	390.55	337.77	306.98	281.99	309.91
	5,328.25	4,725.66	4,508.72	4,285.03	4,007.86
Less: Excise Duty	-	-	-	-	1.77
Total Revenue from Operations	**5,328.25**	**4,725.66**	**4,508.72**	**4,285.03**	**4,006.09**
Sale of Products Comprises of					
Manufactured Goods					
Garments	4,615.10	3,904.81	3,489.29	3,559.56	3,381.91
Yarn	113.41	172.99	222.05	205.55	123.16
Fabric	61.37	96.96	276.36	144.44	67.12
Cotton Waste	8.97	4.92	6.31	4.16	3.03
Total - Sale of Products	**4,798.85**	**4,179.68**	**3,994.01**	**3,913.71**	**3,575.22**
Sale of Services Comprises of					
Dyeing Charges Received	130.63	200.79	196.84	83.55	120.06
Embroidery Charges Received	5.06	2.81	6.72	1.43	1.92
Printing Charges Received	3.09	3.29	2.61	2.84	0.73
Others	0.07	1.32	1.56	1.51	0.02
Total - Sale of Services	**138.85**	**208.21**	**207.73**	**89.33**	**122.73**
Other Operating Revenues					
Duty Draw Back and other Export Incentives	389.91	337.22	306.12	281.16	258.69
Sale of Scrap	0.05	0.55	0.76	0.08	0.02
Wind Power Generation	-	-	-	-	46.86
Others	0.59	-	0.10	0.75	4.34
Total - Other Operating Revenues	**390.55**	**337.77**	**306.98**	**281.99**	**309.91**

COST OF MATERIALS CONSUMED

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Opening Stock	601.43	745.88	511.95	492.10	284.07
Add: Purchases	2,244.14	1,883.07	2,064.34	1,728.33	1,782.97
	2,845.57	2,628.95	2,576.29	2,220.43	2,067.04
Less: Closing Stock	522.35	601.43	745.88	511.95	492.10
Total - Cost of Material consumed	**2,323.22**	**2,027.52**	**1,830.41**	**1,708.48**	**1,574.94**
Purchases Comprise of:					
Yarn	696.91	473.43	528.34	504.51	408.62
Fabric	156.38	371.56	587.71	418.23	579.97
Accessories	271.47	207.13	191.44	162.18	123.21
Cotton	171.86	169.23	124.47	80.84	80.57
Chemical & Dyes	173.16	213.79	171.87	132.74	141.92
Garments	324.40	71.48	75.97	107.19	132.20
Packing Materials, Stores & Consumables	449.96	376.45	384.54	322.64	316.48
Total - Purchases	**2,244.14**	**1,883.07**	**2,064.34**	**1,728.33**	**1,782.97**

CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Inventories at the beginning of the year:					
Finished goods	101.59	93.30	70.13	100.39	128.63
Work-in-progress	370.10	413.36	674.93	636.53	538.97
Waste Stock	-	-	-	-	0.18
	471.69	506.66	745.06	736.92	667.78
Inventories at the end of the year:					
Finished goods	221.34	101.59	93.30	70.13	100.39
Work-in-progress	531.38	370.10	413.36	674.93	636.53
Waste Stock	-	-	-	-	-
	752.72	471.69	506.66	745.06	736.92
Net (increase) / decrease	**-281.03**	**34.97**	**238.40**	**-8.14**	**-69.14**

EMPLOYEE BENEFITS EXPENSES

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-13	31-Mar-13
Salaries & Wages	987.39	802.51	631.38	631.57	601.42
Contribution to Provident Funds & other Funds	99.48	75.48	41.52	59.26	54.85
Staff Welfare Expenses	124.55	121.91	87.98	95.54	89.09
Total - Employee benefits expenses	**1,211.42**	**999.90**	**760.88**	**786.37**	**745.36**

FINANCE COSTS

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-13	31-Mar-13
(a) Interest Cost on					
(i) Borrowings	201.03	273.15	294.84	334.99	312.17
(ii) Others Interest & Bank Charges	48.19	36.58	58.18	42.47	51.30
(b) Other Borrowing Cost	-	-	0.07	0.01	0.18
(c) Net (Gain)/ Loss on Foreign currency transactions and translations	3.50	1.87	2.62	-34.21	39.73
Total - Finance Cost	**252.72**	**311.60**	**355.71**	**343.26**	**403.38**

OTHER EXPENSES

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Fabrication Charges	77.23	54.19	41.68	31.19	39.41
Power & Fuel	197.53	186.38	188.39	254.50	165.72
Repairs & Maintenance - Building	39.00	23.10	8.42	14.12	13.18
Repairs & Maintenance - Machinery	57.93	73.35	52.41	47.14	55.16
Repairs & Maintenance - Others	30.99	23.92	24.79	22.68	21.14
Other Manufacturing Expenses	438.37	385.16	417.28	485.75	539.10
Payments to Auditors (Refer - details below)	2.20	1.97	2.23	1.39	2.14
Insurance	3.28	4.82	5.73	4.88	3.89
Legal & Professional Charges	9.92	9.10	12.13	5.91	5.64
Printing and Stationary	9.07	10.51	6.94	9.32	11.63
Telephone, Postage, Telegrams & Courier	5.71	3.83	4.96	4.68	5.58
Travelling and Conveyance	42.19	26.98	18.91	22.41	21.92
Factory Lease Rent	6.14	3.78	3.68	3.44	4.24
Rent	39.27	22.18	22.88	24.59	30.66
Rates & Taxes	11.47	11.56	15.64	9.44	8.21
Loss on Sale of Assets	0.52	-	-	0.68	-
Managerial Remuneration	13.20	12.00	8.40	8.40	8.40
Director Sitting Fees	0.32	0.10	0.13	0.09	0.09
Miscellaneous expenses	21.46	13.08	15.52	13.52	14.22
Commission & Brokerage	4.19	1.84	3.69	2.55	1.70
Bad Debts and loans & advances written off	0.30	1.77	6.16	0.19	0.08
Donation	0.27	0.12	0.76	0.50	1.04
Expenditure on Corporate Social Responsibility	0.96	0.54	-	-	-
Clearing, Forwarding & Freight	117.38	83.67	104.83	166.86	83.30
Discount & Allowance	7.91	12.88	13.40	33.04	13.53
Business Promotional Expenses	63.80	24.59	15.69	21.99	28.01
Loss on sale of investments (Net)	-	-	-	-	-
Provisions for doubtful trade receivables	0.95	0.40	-10.24	6.48	-
Net Loss on Foreign currency transactions and translations	-	-	35.12	90.95	93.53
Provisions for MTM (Gain)/Loss on forward contracts	3.61	-22.74	16.18	-44.20	-22.86
Royalty	16.40	5.34	4.74	6.21	3.98
Total - Other Expenses	**1,221.57**	**974.42**	**1,040.45**	**1,248.70**	**1,152.64**

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Payment to auditors Comprises:					
As auditors - statutory audit (including service tax)	1.40	1.45	1.22	1.22	1.30
For taxation matters	0.35	0.18	0.31	0.15	0.16
For other services	0.45	0.33	0.66	-	0.62
Reimbursement of expenses	-	0.01	0.04	0.02	0.06
Total	**2.20**	**1.97**	**2.23**	**1.39**	**2.14**

S.P. Apparels Limited
Annexure 17: Consolidated Summary Statement of Other Income, as restated

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Other Income	49.29	66.67	12.01	3.88	10.08
Profit before tax, as restated	448.64	244.25	118.72	41.39	45.85
% of other income to net profit before tax, as restated	10.99%	27.30%	10.12%	9.37%	21.98%

Details of other income

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Recurring					
Interest from bank deposits	4.86	5.20	9.41	0.71	4.56
Rental income	-	0.01	0.01	0.01	0.29
	4.86	5.21	9.42	0.72	4.85
Non-recurring					
Profit on sale of fixed assets	-	1.05	0.93	-	0.80
Dividend Income	0.03	-	-	0.73	0.67
Net gain on foreign currency transactions and translation	42.53	59.33	-	-	-
Profit on Redemption of Investments	-	-	0.29	-	1.20
Excess provision written back	-	-	-	-	-
Lab testing charges	0.12	0.29	-	-	-
Miscellaneous income	1.75	0.79	1.37	2.43	2.56
	44.43	61.46	2.59	3.16	5.23
Total	**49.29**	**66.67**	**12.01**	**3.88**	**10.08**

S.P. Apparels Limited

Annexure 18: Consolidated Summary Statement of Dividend Paid / Proposed by the Company

(Amount in ₹ million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-13	31-Mar-13
The Company has not proposed or paid dividend to equity shareholders during these periods					

S.P. Apparels Limited
Annexure 19: Consolidated Summary Statement of Accounting Ratios

(Number / Amount ₹ in Million, Except Per Share Data)

Particulars	As at / for the year ended				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Basic Earnings Per Share (Basic EPS)					
Profit for the year	347.14	100.48	66.67	23.64	97.07
Less: Preference dividend and tax thereon	52.97	7.82	-	-	-
Profit for the year attributable to the equity shareholders	294.17	92.66	66.67	23.64	97.07
Number of Weighted average equity shares	17.15	16.80	16.80	16.80	16.80
Par value per share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share-Basic	**17.15**	**5.52**	**3.97**	**1.41**	**5.78**
Diluted Earnings Per Share (Diluted EPS)					
Profit for the year	347.14	100.48	66.67	23.64	97.07
Less: Preference dividend and tax thereon	52.97	7.82	-	-	-
Profit for the year attributable to the equity shareholders	294.17	92.66	66.67	23.64	97.07
Number of Weighted average equity shares (in Million)	17.15	17.15	17.15	16.80	16.80
Par Value per share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share-Diluted	**17.15**	**5.40**	**3.89**	**1.41**	**5.78**
Net Asset Value Per Equity Share (₹)					
Net worth for equity share holders	1127.13	760.75	671.39	604.73	581.09
Number of equity shares outstanding (including potential equity shares)	17.15	16.80	16.80	16.80	16.80
Net Assets Value per equity share (₹)	**65.72**	**45.28**	**39.96**	**36.00**	**34.59**
Profit after tax, as restated	294.17	92.66	66.67	23.64	97.07
Net worth, as restated	1127.13	760.75	671.39	604.73	581.09
Return on Net worth (%) for equity shareholders	**30.80%**	**13.21%**	**9.93%**	**3.91%**	**16.70%**

Note: The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

(ii) Net Assets Value (NAV)

$$\frac{\text{Net worth, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year / period}}$$

(iv) Net worth for ratios mentioned above is as arrived as mentioned below:

Net worth, as restated = Equity share capital + Shares pending allotment + Share application money pending allotment + Reserves and surplus (including Capital Reserve, Securities Premium, Exchange Reserve (on Consolidation), Share options outstanding account and surplus / (deficit) in Consolidated Statement of Profit and Loss).
All the above are based on Consolidated Financial Information, as restated.

S.P. Apparels Limited
Annexure 20: Consolidated Statement of Capitalisation, as restated

(*Amount in ₹ million)*

Particulars	Pre-Issue As at 31-Mar- 16	Post-Issue *
Debts		
Short term debts	1,626.61	
Long term debts (incl. current maturities of long term debts)	967.03	
Total debts	**2,593.64**	
Shareholders' funds		
Share capital	371.45	
Reserves and Surplus	955.68	
Total Shareholders' funds	**1,327.13**	
Total debts / Total Shareholders' funds	195.43%	
Long term debts / Total Shareholders' funds	72.87%	

**** Shareholders fund post issue can be calculated only on the conclusion of the book building process.***

Notes:

1. Short term borrowings represent debts which are due within 12 months from 31-Mar-16.

2. Long term debts include current portion of long-term borrowings repayable over the next twelve months.

S.P. Apparels Limited
Annexure 21: Consolidated Statement of Related party transactions and balances as restated

Details of Related Parties

(***Amount in ₹ million)***

Name of Related Party	Nature of Relationship
Key Managerial Personnel	
P. Sundararajan	Managing Director
S. Latha	Executive Director (Wife of Mr.P.Sundararajan)
Relative of Key Managerial Personnel	
S. Chenduran	Son of Mr. P. Sundararajan
P. Velusamy	Brother of Mr. P. Sundararajan
P. Ashokaramam	Brother of Mr. P. Sundararajan
Enterprises owned by relatives of Key Managerial Personnel SP Superfine Cotton Mills Private Limited	Enterprise over which relatives of Key Managerial Personnel are able to exercise significant influence.
Enterprises owned by key Managerial Personnel	
Poornam Enterprises Private Limited	Enterprise over which Key Managerial Personnel are able to exercise significant influence
S.P. Textiles	Enterprise over which Key Managerial Personnel are able to exercise significant influence
S.P. Lifestyles	Enterprise over which Key Managerial Personnel are able to exercise significant influence

Particulars	Transaction Details						Transaction Details					
	Sale of Goods & Service	Purchase of Goods & services	Purchase of Assets	Takeover of liabilities	Interest income	Remuneration	Lease Rent Paid	Lease Rent Received	Interest Expenses	Unsecured loan		Loans & Advances
										Accepted / (Repaid)	Repaid	
Key Managerial Personnel												
Mr. P. Sundararajan												
31 Mar 16	-	-	-	-	-	8.40	4.01	-	-	(62.57)	-	-
31 Mar 15	-	-	-	-	-	8.40	3.03	-	-	39.02	69.20	35.82
31 Mar 14	-	-	-	-	-	4.80	2.93	-	-	67.07	46.12	24.08
31 Mar 13	-	-	-	-	-	4.80	2.90	-	-	32.08	41.50	-
31 Mar 12	-	-	-	-	-	4.80	3.49	-	1.95	(79.80)	-	-
Mrs. S. Latha												
31 Mar 16	-	-	-	-	-	3.60	2.13	-	-	(2.02)	-	-
31 Mar 15	-	-	-	-	-	3.60	0.75	-	-	(2.35)	3.68	0.90
31 Mar 14	-	-	-	-	-	3.60	0.75	-	-	29.15	0.50	2.24
31 Mar 13	-	-	-	-	-	3.60	0.54	-	-	2.85	1.35	-
31 Mar 12	-	-	-	-	-	3.60	0.65	-	-	-	-	-
Relatives of key managerial personnel												
Mr. S. Chendhuran												
31 Mar 16	-	-	-	-	-	1.20	-	-	-	-	-	-
31 Mar 15	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 14	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 13	-	-	-	-	-	-	-	-	-	0.07	1.74	-
31 Mar 12	-	-	-	-	-	-	-	-	-	0.11	-	-
Mr. P. Ashokraman												
31 Mar 16	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 15	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 14	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 13	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 12	-	-	-	-	-	-	-	-	-	-	-	-
Mr. P. Velusamy												

Particulars	Transaction Details						Transaction Details					
	Sale of Goods & Service	Purchase of Goods & services	Purchase of Assets	Takeover of liabilities	Interest income	Remuneration	Lease Rent Paid	Lease Rent Received	Interest Expenses	Unsecured loan		Loans & Advances
										Accepted / (Repaid)	Repaid	
31 Mar 16	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 15	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 14	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 13	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 12	-	-	-	-	-	-	-	-	-	-	-	-
Enterprises owned by KMP												
Poornam Enterprises P Ltd.												
31 Mar 16	20.93	-	44.43	44.43	-	-	2.55	-	-	-	-	-
31 Mar 15	12.84	20.20	-	-	-	-	0.60	-	-	-	-	0.30
31 Mar 14	-	-	-	-	-	-	0.60	-	-	-	-	-
31 Mar 13	-	-	-	-	-	-	0.60	-	-	(0.10)	0.10	-
31 Mar 12	-	-	-	-	-	-	0.60	-	-	-	-	-
S.P. Textiles												
31 Mar 16	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 15	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 14	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 13	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 12	-	-	-	-	-	-	-	-	-	-	-	-
S.P. Lifestyles												
31 Mar 16	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 15	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 14	-	-	-	-	-	-	-	-	-	-	-	-
31 Mar 13	-	4.36	-	-	-	-	-	-	-	-	-	-
31 Mar 12	-	17.00	-	-	-	-	-	-	-	-	-	-
S.P.Superfine Mills P Ltd., Salem												
31 Mar 16	0.05	-	266.99	-	-	-	-	-	-	-	-	-
31 Mar 15	0.08	21.92	-	-	-	-	-	-	-	-	-	-

Particulars	Transaction Details						Transaction Details					
	Sale of Goods & Service	Purchase of Goods & services	Purchase of Assets	Takeover of liabilities	Interest income	Remuneration	Lease Rent Paid	Lease Rent Received	Interest Expenses	Unsecured loan		Loans & Advances
										Accepted / (Repaid)	Repaid	
31 Mar 14	0.08	0.01	-	-	-	-	-	-	-	-	-	-
31 Mar 13	0.07	5.00	-	-	-	-	-	-	-	-	-	-
31 Mar 12	0.04	-	-	-	-	-	-	-	-	-	-	-

Particulars	Outstanding Balances					Outstanding Balances					
	Remuneration payable	Lease Rent payable	Lease Rent security deposit	Unsecured Loan	Current a/c	Other payables	Sundry Creditors	Dividend	Sundry Debtors	Invt in Equity Shares	Loans & Advances
Key Managerial Personnel											
Mr. P. Sundararajan											
31 Mar 16	0.48	5.69	4.22	180.04	-	68.98	-	22.00	-	-	-
31 Mar 15	0.48	2.47	4.22	311.47	-	-	-	-	-	-	-
31 Mar 14	0.23	2.41	4.22	308.47	(24.08)	-	-	-	-	-	-
31 Mar 13	3.22	6.89	4.22	261.60	-	-	-	-	-	-	-
31 Mar 12	0.28	4.28	4.22	226.80	-	-	-	-	-	-	-
Mrs. S. Latha											
31 Mar 16	0.27	2.32	0.78	29.75	-	-	-	22.00	-	-	-
31 Mar 15	0.07	0.67	0.78	31.76	-	-	-	-	-	-	-
31 Mar 14	0.07	0.63	0.78	37.25	(2.24)	-	-	-	-	-	-
31 Mar 13	2.70	1.66	0.78	8.10	-	-	-	-	-	-	-
31 Mar 12	0.71	1.17	0.78	5.25	-	-	-	-	-	-	-
Relatives of key managerial personnel											
Mr. S. Chendhuran											
31 Mar 16	0.75	-	-	10.00	-	0.24	-	-	-	-	-
31 Mar 15	-	-	-	10.25	-	-	-	-	-	-	-
31 Mar 14	-	-	-	10.25	-	-	-	-	-	-	-
31 Mar 13	-	-	-	10.25	-	-	-	-	-	-	-
31 Mar 12	-	-	-	10.18	-	-	-	-	-	-	-
Mr. P. Ashokraman											
31 Mar 16	-	-	-	2.50	-	-	0.04	-	-	-	-
31 Mar 15	-	-	-	2.50	-	-	0.04	-	-	-	-
31 Mar 14	-	-	-	2.50	-	-	0.04	-	-	-	-
31 Mar 13	-	-	-	2.50	-	-	0.04	-	-	-	-
31 Mar 12	-	-	-	2.50	-	-	0.04	-	-	-	-
Mr. P. Velusamy											
31 Mar 16	-	-	-	-	-	-	0.04	-	-	-	-
31 Mar 15	-	-	-	-	-	-	0.04	-	-	-	-
31 Mar 14	-	-	-	-	-	-	0.04	-	-	-	-
31 Mar 13	-	-	-	-	-	-	0.04	-	-	-	-
31 Mar 12	-	-	-	-	-	-	0.04	-	-	-	-

Particulars	Outstanding Balances					Outstanding Balances					
	Remuneration payable	Lease Rent payable	Lease Rent security deposit	Unsecured Loan	Current a/c	Other payables	Sundry Creditors	Dividend	Sundry Debtors	Invt in Equity Shares	Loans & Advances
Enterprises owned by KMP											
Poornam Enterprises P Ltd.											
31 Mar 16	-	-	-	-	-	2.17	-	-	1.52	-	-
31 Mar 15	-	-	-	-	-	-	-	-	5.48	-	0.30
31 Mar 14	-	-	-	-	-	-	-	-	17.37	-	-
31 Mar 13	-	-	-	-	-	-	2.09	-	-	-	-
31 Mar 12	-	0.54	-	-	-	-	1.67	-	-	-	-
S.P. Textiles											
31 Mar 16	-	-	-	-	-	-	2.05	-	-	-	-
31 Mar 15	-	-	-	-	-	-	2.05	-	-	-	-
31 Mar 14	-	-	-	-	-	-	2.05	-	-	-	-
31 Mar 13	-	-	-	-	-	-	2.05	-	-	-	-
31 Mar 12	-	-	-	-	-	-	1.02	-	-	-	-
S.P. Lifestyles											
31 Mar 16	-	-	-	-	-	4.87	5.18	-	-	-	0.40
31 Mar 15	-	-	-	4.03	-	-	3.37	-	-	-	-
31 Mar 14	-	-	-	6.13	-	-	2.97	-	-	-	-
31 Mar 13	-	-	-	3.55	-	-	-	-	-	-	0.44
31 Mar 12	-	-	-	-	-	-	-	-	-	-	5.00
S.P.Superfine Mills P Ltd., Salem											
31 Mar 16	-	-	-	-	-	-	34.86	-	-	-	-
31 Mar 15	-	-	-	-	-	-	3.64	-	-	-	-
31 Mar 14	-	-	-	-	-	-	0.01	-	-	-	-
31 Mar 13	-	-	-	-	-	-	-	-	-	-	-
31 Mar 12	-	-	-	-	-	-	-	-	-	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the sections "Summary Financial Information" and "Financial Statements" on pages 46 and 175, respectively. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Statements. The Restated Consolidated Financial Statements are based on our audited financial statements and are restated in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations. Our audited financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects with IFRS and U.S. GAAP.

This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section "Risk Factors" on page 14. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, refer to the section "Forward-Looking Statements" on page 13.

Our fiscal year ends on March 31. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of such year.

Overview

We are a leading manufacturer and exporter of knitted garments for infants and children in India. These are manufactured at our integrated facilities that allow us to provide end-to-end garment manufacturing services from greige fabric to finished products. We also manufacture and retail menswear garments in India under the brand 'Crocodile'. We believe our core competency lies in our clear understanding of the specifications of knitted garments in the infants and children category, the buying preferences of our customers and our ability to deliver products of a consistent high quality that meet the product specifications and stringent compliance requirements of our international customers. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth.

Our Company is led by our Promoters, who are first generation entrepreneurs and have over the years grown the business of the Company to become the second largest exporter among manufacturers of knitted garments for infants and children in India in terms of revenue in the Fiscal Year 2014. *(Source: Technopak Report)* Our export business for knitted garments for infants and children constitutes a significant portion of our business. 86.13%, 84.62% and 79.84% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively, were generated by our business of export of knitted garments products for infants and children (including duty drawback and other export incentives). Our product range for knitted garments for infants and children includes body suits, sleep suits, tops and bottoms. For Fiscal Year 2016, we exported approximately 35.98 million pieces of knitted garments for infants and children directly to our international customers, including TESCO and Primark. We also manufacture and retail menswear garments in India under the brand 'Crocodile' pursuant to a sub-license granted to us by one of our Subsidiaries, CPPL. For more information in relation to the sub-license, see the section "*History and Certain Corporate Matters – Summary of Certain Agreements – Other Material Agreements*" on page 153. We are considering the launch of products in the women's essential wear category under the 'Natalia' brand owned by our Company, subject to compliance with applicable law. For this purpose, our designers have developed a part of the product range; basic samples have been manufactured and the process for identifying packaging material for such products is currently in progress.

Our facilities are equipped to provide various products within the garments manufacturing production chain to our customers. Our business consists of two main divisions – (i) garments division (for manufacture and export of knitted garments for infants and children); and (ii) retail division (for manufacture, distribution and marketing of products in India under the brand name 'Crocodile').

We have two Subsidiaries, Crocodile Products Private Limited ("**CPPL**") and S.P. Apparels (UK) (P) Limited ("**SPUK**"). CPPL, which is a joint venture between our Company and Crocodile International Pte. Ltd. ("**CIPL**"), is engaged in the business of, *inter alia*, establishing and managing units to manufacture, trade, deal, import and export garments and has entered into a technology license agreement with CIPL for the exclusive manufacture, distribution and marketing of menswear products under the trademark ‘Crocodile’ in India. 6.43%, 3.39% and 3.35% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively were generated by the Company’s retail business. We sell the ‘Crocodile’ branded products through a sales and distribution network that includes 40 exclusive brand outlets, of which 37 are company owned operated stores and three are franchise stores, and third-party e-commerce platforms. We also have agreements with distributors in relation to the sale, marketing and distribution of ‘Crocodile’ products. SPUK was incorporated in 2014 to explore possible marketing opportunities and engage in trading activities with new customers in the United Kingdom, Ireland and other European countries. SPUK has a design studio and has hired experienced designer consultants that provide design support services to our customers. SPUK also provides after sales service to our customers for any technical and other grievance.

Our 21 operating manufacturing facilities and the manufacturing facility at Netaji Apparel Park (NAP) which we are in the process of establishing, are located in and around the region of Avinashi, Tamil Nadu, India and within a radius of approximately 125 kilometres of our Registered Office. The wide range of infrastructure and machinery at our facilities for production of yarn, dyeing of fabric, sewing, cutting, printing, embroidery and finishing of garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner. Our design, testing, fitment and quality inspection laboratory helps us in delivering products of high quality that comply with the stringent standards set by our customers. The proximity of our manufacturing facilities and our integrated set-up allows us to optimize our operations and service for our customers in a timely manner.

Our strong focus on quality has helped us become the preferred vendor of choice for certain of our large international customers. In recognition of our high quality of manufacturing operations, we have been awarded the ‘Gold Supplier Award’ by TESCO in 2013, ‘Values Award’ by TESCO in 2011-12 and ‘Trading Fairly Award’ for setting benchmarks in Tirupur for compliance with labor standards, investing in workers and supporting community projects by TESCO in 2009.

In November 2014, we received safety awards from the Directorate of Industrial Safety and Health, Government of Tamil Nadu for the least number of accidents during the calendar years 2011 and 2010.

On a restated consolidated basis, we generated total revenues of ₹5,377.54 million, ₹4,792.33 million and ₹4,520.73 million for the Fiscal Years 2016, 2015 and 2014, respectively. We recorded a net profit of ₹347.14 million, ₹100.48 million and ₹66.67 million for the Fiscal Years 2016, 2015 and 2014, respectively.

Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of important factors, including:

Dependence on exports of knitted garments for infants and children

Our export business for knitted garments for infants and children constitutes a significant portion of our business. 86.13%, 84.62% and 79.84% of our total revenues for the Fiscal Years 2016, 2015 and 2014, respectively, were generated by our business of export of knitted garments products for infants and children (including duty drawback and other export incentives). Typically, we do not enter into long-term sales contracts with any of our export customers for knitted garments for infants and children. We execute sales orders based on the purchase orders received from customers and manufacture our products to meet the requirements of our customers, as specified by them in the purchase orders. Our customers generally place their orders at the start of each season, however since we do not enter into long-term sales contracts with them, there is no binding requirement for them to provide any orders. Customers can terminate their relationship with us due to a change in their policies, vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business and results of operations.

Evolving customer needs and market trends

For our garments export business: Our business is dependent on understanding and responding to our customers’ requirements in a timely manner. Our design team works closely with customers to understand their requirements to prepare pre-order and pre-production samples. We have made and would be required to make changes in our designs and products to enable such customer needs and specifications and have incurred, and expect to incur, costs to design and manufacture such products. We have, in the past, and will continue in the future, to be required to adapt our products in accordance with evolving customer requirements. If we are unable to adapt in a timely manner, or at all, to customer requirements and latest trends in the garments industry, including as a result of any inability to understand or implement customer specifications effectively or offer customized garments to our customers, it would materially and adversely affect our business, prospects, financial results and reputation.

For our retail business: The market for menswear in the country is highly competitive with several players present in various segments in brick and mortar stores and through third party e-commerce platforms. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors (located in brick and mortar stores and on third party e-commerce platforms), or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, manufacturing for a season begins well in advance of the season and we may not be able to incorporate the prevalent trends, or accommodate any sudden emergence of a new trend that may be germane to that season in the collection being released. If our competitors are able to cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, *inter alia*, this could lead to lower sales, higher inventories and higher discounts.

Orders from significant customers

A significant proportion of our revenues have historically been derived from a limited number of customers. Over the last five Financial Years, more than 80% of our revenue from exports was contributed by our top five customers. For details in relation to our customers, see the section "*Our Business – Our Operations – Garments Division – Customers*" on page 128. The loss of orders from any of these significant customers, if not replaced with a different or new customer, will result in a considerable reduction in our revenue and could have a material adverse effect on our cash flows and results of operations. If we are unable to establish new, and strengthen our existing, relationships with clients and expand the products and services we offer to our clients, this could materially adversely affect our future growth and our ability to increase our profitability.

Change in Government incentives

The Government of India has provided several production and exports related incentives to the textile sector, from which we currently benefit including, the Revised Restructured Technology Upgradation Fund Scheme, the EPCG Scheme, the Duty Drawback Scheme and the Merchandise Exporter from India Scheme. As a result of these incentives, our operations in India have been subject to relatively lower tax liabilities. These incentives could be modified or removed at any time, which could adversely affect our business and profitability. Furthermore, any failure on the part of our Company to adhere to the requirements of these incentives may result in our Company losing the benefit of some or all of these incentives and/or payment of penalties.

Significant geographic concentration, international market and regulatory risks

Our revenues are currently subject to significant geographic concentration. Our customers are predominantly based in the United Kingdom and our business depends significantly upon, and increases our exposure to adverse developments relating to, the general economic and other conditions in this geographical region. Any external risks including regional economic downturn or changes in the regulatory or trading environment in the United Kingdom may materially and adversely affect our business and financial results.

Additionally, developments in the international textile and garments markets could have an impact on our sales. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in international jurisdictions in which we operate or seek to sell our products. There can be no assurance that such jurisdictions will not impose trade restrictions in the future. Any change in the duty structure that affects our ability to export garments to Europe, including the imposition of, or increase in the rate of, anti-subsidy or anti-dumping duties, may have an adverse effect on our net revenues and results of operations. The safety of children's and infant's apparel is highly regulated by various agencies worldwide and not only requires rigorous safety testing to ensure compliance with applicable standards, but also comprehensive performance testing to meet consumer expectations. While we have accredited in-house testing facilities to ensure such compliance, there can be no assurance that we will be able to adapt quickly to any change in international quality standards and such delay may have an adverse effect on our net revenues and results of operations.

Compliance with stringent labor laws or other industry standards

We are subject to a number of stringent labor laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes significant financial obligations on employers. Strikes, lock-outs and other labor action may have an adverse impact on our operations. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, our third-party suppliers may experience strikes or other labor disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, we may be unable to recruit employees, in particular skilled employees and retain our current workforce.

Competition

For our garments export business: We face intense competition in our garments export business not only from domestic players but also from low cost manufacturers based in countries such as Vietnam, Pakistan and Bangladesh. Any failure by us to compete effectively, including in respect of the pricing of our garments, could have a material adverse effect on our business, financial condition and results of operations.

For our retail business: We face intense competition both in the exports of knitted garments for infants and children as well as the retail sector. Many of our competitors, specifically the international brands, have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution budgets and other resources than we do. The intense competition that we face may result in increased pricing pressure, reduced profit margin or loss of market share or a failure to increase our market share. There can be no assurance that we will be able to effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

Exchange rates

79.25% of our total revenue in Fiscal 2016 was earned from customers outside India and denominated in foreign currency in our business of knitted garments for infants and children. While a large portion of our expenses are paid in Indian Rupees, our revenues are mostly in foreign currencies, predominantly in British Pound Sterling and U.S. Dollar. For further information, see the section "*Risk Factors – Internal Risks – Risks Related to our Business – We derive a significant portion of our revenue in British Pound Sterling and U.S. Dollar and hence are exposed to the risks associated with fluctuations in foreign exchange rates which could negatively impact our profitability and financial condition*" on page 18. The Indian Rupee has depreciated 16.25% and 29.67% against the British Pound Sterling and the U.S. Dollar, respectively, from March 31, 2012 to March 31, 2016. We expect that a majority of our revenues will continue to be generated in foreign currencies and that a significant portion of our expenses will continue to be denominated in Indian Rupees. Accordingly, our operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Indian Rupee and other foreign currencies. We manage in part our foreign exchange risk by entering into forward contracts. However, currency hedging arrangements that we have entered into may not mitigate all, or substantially all, of the losses we may suffer as a consequence of any such fluctuations. For the Fiscal Year 2016, Fiscal Year 2015 and Fiscal Year 2014, we experienced mark to market foreign exchange gain/(loss) of ₹(3.61) million, ₹22.74 million and ₹(16.18) million, respectively.

Expansion of retail stores

We plan to enhance and aggressively develop our existing 'Crocodile' brand in India. By focusing further resources, including management time and effort, distribution and sales network, opening new company owned and operated stores and other retail outlets and brand management on developing the 'Crocodile' brand, we will be diverting our resources from our established business of manufacturing knitted garments for infants and children. Our revenue from this expansion will depend on various factors including our ability to identify strategic store locations, adequately estimate the demand from these locations, successfully integrate the culture and processes from existing outlets to the new outlets and hire suitable employees to operate these stores. Our inability to develop and grow our retail business segment despite diverting the required resources towards it could have a material adverse effect on our business, financial condition and profitability.

Our Foreign Exchange Risk Management Policy

The features of the foreign exchange risk management policy of our Company for the Fiscal Year 2016 are set forth below:

Hedging Strategies, Hedge Ratio and Core Hedge: Our Company has the flexibility to maintain a hedge ratio (i.e., ratio of hedged amount to total exposure) that is subject to a minimum of core hedge (i.e., the minimum permissible percentage hedged). The hedge ratio is currently maintained at 40% to 60% and is allowed to go up to 100%. The core hedge should not be below 40%. Our Company should review these two parameters at least once a month and modify them if warranted by the prevailing market conditions. The hedge ratio should be fixed by the Forex Management Committee/the Managing Director of the Company and the minimum core hedge should be fixed by the Board of Directors.

Our Company has the flexibility to unwind hedges and cancel forward contracts if the price movements prove that it is advantageous to reverse the earlier hedge. The unwinding of hedges should be within the constraints of the hedge ratio and the core hedge.

Exposure Limits: Our Company should control risk by fixing limits in relation to net exchange exposure and any exposure in excess of such limits should be covered.

Hedging Instruments: The following hedging instruments should be used for hedging after approval of the Board of Directors: (i) forward contracts; (ii) plain vanilla option contracts; and (iii) combinations of (i) and (ii). The Forex Management Committee (consisting of the Managing Director (chairman of the committee), the Manager – Treasury and two Treasury officials) will decide the most cost-effective and appropriate hedging instrument based on the prevailing market conditions.

A majority of our Company's revenues are generated in foreign currencies. Our Company manages its foreign exchange risk by entering into forward contracts for hedging highly probable forecasted transactions. Accordingly, our Company did not have any unhedged foreign currency exposure for the Fiscal Years 2016, 2015 and 2014.

Our Significant Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amount of revenue and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following are the significant accounting policies and related judgments and estimates used in the preparation of our financial statements. For more information on each of these policies, see the section "*Financial Statements*" on page 175.

Basis of Accounting and Preparation of Restated Consolidated Financial Statements

The Restated Consolidated Financial Statements have been prepared in accordance with the Indian GAAP in compliance with the accounting standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other applicable provisions of the Companies Act, as applicable and the SEBI ICDR Regulations. The Restated Consolidated Financial Statements have been prepared on an accrual basis under the historical cost convention.

Changes in Accounting Policy

The accounting policies have been consistently applied by our Company and the Subsidiaries and are consistent across all the years presented.

Principles of Consolidation

The Restated Consolidated Financial Statements have been prepared on the basis of the financial statements of our Company and Subsidiaries available up to March 31, 2016. The financial statements of our Company and the Subsidiaries have been consolidated on a line-by-line basis by combining items in relation to assets, liabilities, income and expenses after elimination of intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.

The excess of cost to the Company of its investments in the Subsidiaries over its share of equity of the Subsidiaries, at the dates on which the investments in the Subsidiaries were made, is recognized as 'Goodwill' being an asset in the Restated Consolidated Financial Statements and is tested for impairment on annual basis. On the other hand, where the equity share of the Company in the Subsidiaries as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the Restated Consolidated Financial Statements. The goodwill/capital reserve is determined separately for each Subsidiary and such amounts are not set-off between different entities. Goodwill arising on consolidation is not amortized but tested for impairment.

'Minority Interest' in the net assets of the Restated Consolidated Financial Statements consist of the amount of equity attributable to the minority shareholders at the date on which investments in the Subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss of the Subsidiaries for a particular year that is attributable to minority interest is identified and adjusted against the profit after tax of the Company in order to arrive at the income attributable to the shareholders of the Company.

Use of Estimates

The preparation of the Restated Consolidated Financial Statements in conformity with Indian GAAP requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities (including contingent liabilities), income and expenses at the end of the relevant financial year. These estimates and assumptions are based upon our management's evaluation of the relevant facts and circumstances, which in the opinion of our management are prudent and reasonable. There could be differences between such estimates and the actual results and such differences are recognized in the periods in which they are known or materialize.

Inventories

Inventories are valued at the lower of cost and the net realizable 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. Fabric waste is valued at net realizable value.

Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of our Company and the Subsidiaries are segregated based on the available information.

Depreciation and Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets is provided under the straight line method based on the useful life in accordance with Schedule II of the Companies Act, 2013, except for the following categories of assets wherein the life of the assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, warranties provided by the manufacturers and maintenance support.

Class of Asset	Number of Years of Useful Life
General Plant and Machinery	20
Computers and Servers	5
Buildings – Others	30
Office Equipment	10
Vehicles – Car	10
Vehicles – Others	8
Leasehold Land	Amortized over the duration of the lease

Intangible assets are amortized over their estimated useful life under the straight line method. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each Fiscal Year and the amortization period is revised to reflect the changed pattern, if any.

Revenue Recognition and Other Income

Revenue from sales is recognized net of returns and trade discounts, when the risk and rewards of ownership of the goods are transferred to the customer, which generally coincides with dispatch of goods from the manufacturing facility. Revenue from job-work undertaken is recognized on delivering the goods to the customer on completion of the work.

Other income consists of interest income, which is accounted on an accrual basis; and dividend income, which is accounted for when the right to receive such income is established.

Fixed Assets (Tangible/Intangible)

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase/completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purposes are capitalized and depreciation thereon is included in the project cost until the project is ready for its intended use.

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

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

Foreign Currency Transactions

Transactions in foreign currencies entered into by our Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate prevailing at the date of the transaction. Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate prevailing at the date of the transaction.

Foreign currency monetary items (other than derivative contracts) of our Company outstanding as on the date of the balance sheet are restated at the exchange rates prevailing at the end of the year. Non-monetary items are carried at historical cost. All assets and liabilities of non-integral operations are translated at the year-end rates.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss. The exchange differences relating to non-integral foreign operations are accumulated in a 'Foreign Currency Translation Reserve' until disposal of the operation, in which case the accumulated balance in 'Foreign Currency Translation Reserve' is recognized as income/expense in the same period in which the gain or loss on disposal is recognized.

Government Grants, Subsidies and Export Incentives

Grants and subsidies from the Government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the period necessary to match such an expense on a systematic basis to the costs, which it intends 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 export based on eligibility and when there is no uncertainty in receiving the same.

Investments

Long term investments are valued at cost, less provision for diminution (other than any temporary diminution), in the value of such investments. Current investments are carried at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized 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.

Post retirement employee benefits comprise of provident fund and gratuity which are accounted in the manner set forth below:

Provident Fund

Our Company and the Subsidiaries' contribution to the provident fund and employee state insurance scheme are considered 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.

Gratuity Fund

This is a defined benefit plan and annual contributions are made to a gratuity fund administered by the Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the statement of profit and loss account for the period in which they occur.

Borrowing Costs

Borrowing costs (net of subsidy received pursuant to the R-TUF scheme), amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

Segment Reporting

Our Company and the Subsidiaries are in the business of manufacture of knitted garments. There are no separate reportable primary segments as per Accounting Standard 17. Secondary segmental reporting is based on geographical location.

Leases

Assets leased by our Company and the Subsidiaries in their capacity as a lessee, where substantially all the risks and rewards of ownership vest in our Company and the Subsidiaries are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risk and reward incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss account on a straight line basis over the lease term.

Earnings per Share

Basic earnings per share (EPS) 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.

Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that our Company and the Subsidiaries will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to our Company and the Subsidiaries.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized.

Impairment of Assets

The carrying amounts of assets/cash generating units at each balance sheet date to determine whether there is any indication of impairment. 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 amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized 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.

When there is indication that an impairment loss recognized 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 recognized 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 recognized.

Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of any past event and it is probable that an outflow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognized, however contingent liabilities are disclosed in the notes on accounts. Contingent assets are not recognized in the financial statements.

Certain Qualifications Noted by Auditors

Our Auditors have not made any qualifications in their reports on the Restated Consolidated Financial Statements in relation to the Fiscal Years 2016, 2015, 2014, 2013 and 2012.

Segment Information

Our Company and the Subsidiaries operate primarily in a single business segment of manufacture and sale of garments. The secondary segment is derived on the basis of geographical area based on the location of our customers. Our segment-wise revenue for the Fiscal Years 2016, 2015 and 2014 is as follows:

(Amount in ₹ million)

Particulars	As at/For the Fiscal Year		
	2016	2015	2014
Segment Revenue			
Outside India	4,261.74	3,718.01	3,303.02
Within India	1,066.51	1,007.65	1,205.70
Segment Assets			
Outside India	707.35	626.67	427.01
Within India	4,904.93	4,570.41	4,825.71
Capital Expenditure	255.73	111.97	43.56

Our Income

Revenue from Operations

Sale of Manufactured Products

Sale of manufactured products includes revenue from sale of garments, including knitted garments for infants and children, yarn, fabric and cotton waste.

Sale of Services – Dyeing, Embroidery, Printing

Sale of services comprises of revenue from sale of services in relation to dyeing, embroidery, printing and other charges.

Other Operating Revenues

Our other operating revenues include revenues in relation to duty drawback and other export incentives and sale of scrap.

Other Income

The key components of our other income are interest from bank deposits, rental income, profits from sale of fixed assets, dividend income, net gain on foreign currency transactions and translation, profits from redemption of investments, laboratory testing charges and miscellaneous income.

Our Expenses

Our expenses primarily consist of the following:

Cost of Materials Consumed

We purchase materials like yarn, fabric, accessories, cotton, chemicals and dyes, packing materials, stores and consumables and garments. However, it is pertinent to note that the purchase of garments is dependent on several factors, including, our ability to fulfil orders received from our customers based on our internal production capacity. Therefore, there may be a non-linear relationship between the movement in our revenue and production with the movement in the purchase of garments.

Change in Inventories of Finished Goods and Work-in-Progress

This includes inventories of finished goods and work-in-progress (including garments and yarn).

Employee Benefits Expenses

Our employee benefits include salaries and wages, contributions to provident fund, employees' state insurance and other funds like gratuity, staff welfare and other employee benefits expenses.

Finance Costs

This includes interest on borrowings, other interest charges, bank charges, other borrowing costs and net gain/loss on foreign currency transactions and translations.

Other Expenses

Our other expenses include fabrication charges, electricity charges, fuel charges, repair and maintenance charges on building and machinery, insurance, manufacturing expenses (including amount paid to third party contract manufacturers), business promotion, travelling and conveyance, communication costs, printing and stationery, legal and professional fees, lease rent payments for our manufacturing facilities, rent, commission and brokerage, donations, managerial remuneration, provisions for doubtful trade receivables, bad debts and loans and advances written off, loss on sale of investments/assets, clearing forwarding and freight, provisions for mark to market gain/loss on forward contracts and royalty.

Statement of Assets and Liabilities

Fiscal 2016 Compared to Fiscal 2015

Share Capital

Our share capital was ₹371.45 million in Fiscal 2016, a decrease of 15.67% over our share capital of ₹440.49 million in Fiscal 2015. The decrease in share capital was primarily due to conversion of 7,249,454 CCPS held by Euro Asia into an aggregate of 345,212 Equity Shares in Fiscal 2016. For details on such conversion, see the section "*Capital Structure – Notes to Capital Structure – Share Capital History of our Company*" on page 66.

Reserves and Surplus

Our reserves and surplus were ₹955.68 million in Fiscal 2016, an increase of 61.23% over our reserves and surplus of ₹592.73 million in Fiscal 2015. The increase in the reserves and surplus was primarily due to an increase in our restated profit after tax by 245.47% to ₹347.14 million in Fiscal 2016 from ₹100.48 million in Fiscal 2015 and an increase in the share premium by 20.72% from ₹333.19 million in Fiscal 2015 to ₹402.23 million in Fiscal 2016 in respect of the Equity Shares issued to Euro Asia due to conversion of 7,249,454 CCPS held by Euro Asia into an aggregate of 345,212 Equity Shares in Fiscal 2016. For details on such conversion, see the section "*Capital Structure – Notes to Capital Structure – Share Capital History of our Company*" on page 66.

Total Shareholders' Funds

As a result of the factors outlined above, our total shareholders' funds increased from ₹1,033.22 million in Fiscal 2015 to ₹1,327.13 million in Fiscal 2016.

Total Borrowings

Our total borrowings (including long-term borrowings, short-term borrowings and current maturities of long-term debt and finance lease obligations) were ₹2,593.64 million in Fiscal 2016, an increase of 2.57% over our total borrowings of ₹2,528.73 million in Fiscal 2015. This increase was primarily due to new borrowings undertaken/drawn by our Company during Fiscal 2016. For further details, see the section "*Financial Indebtedness*" on page 309.

Deferred Tax Liabilities (Net)

Our deferred tax liabilities (net) were ₹371.98 million in Fiscal 2016, an increase of 17.47% over our deferred tax liabilities (net) of ₹316.66 million in Fiscal 2015. This increase was primarily due to an increase of 3.65% in the difference between the book balance and the tax balance of fixed assets, from ₹360.55 million in Fiscal 2015 to ₹373.70 million in Fiscal 2016 and full absorption in Fiscal 2016 of the carried forward depreciation of ₹51.48 million in Fiscal 2015.

Long-term Provisions

Our long-term provisions were ₹40.53 million in Fiscal 2016, an increase of 172.38% over our long-term provisions of ₹14.88 million in Fiscal 2015. This increase was primarily due to an increase in our gratuity provision (net).

Current Liabilities

Our current liabilities (including trade payables, short-term provisions and other current liabilities (excluding current maturities of long-term debt and finance lease obligations)) were ₹1,338.18 million in Fiscal 2016, a decrease of 1.38% over our current liabilities of ₹1,356.94 million in Fiscal 2015. This decrease was primarily on account of a decrease of 3.89% in our trade payables from ₹1,214.80 million in Fiscal 2015 to ₹1,167.52 million in Fiscal 2016.

Fixed Assets

Our fixed assets were ₹2,746.35 million (including capital work-in-progress) in Fiscal 2016, an increase of 1.89% over our fixed assets of ₹2,695.42 million in Fiscal 2015. This was primarily due to an increase in investments by our Company in our tangible fixed assets from ₹2,680.36 million in Fiscal 2015 to ₹2,701.14 million in Fiscal 2016, an increase of 0.78%.

Non-Current Investments

Our non-current investments were ₹3.78 million in Fiscal 2016, a decrease of 17.11% over our non-current investments of ₹4.56 million in Fiscal 2015. This was primarily due to a sale of a portion of our investment in LNGS Private Limited which resulted in the decrease in the value of such investment from ₹4.20 million in Fiscal 2015 to ₹1.17 million in Fiscal 2016, a decrease of 72.14%.

Long-term Loans and Advances

Our long-term loans and advances were ₹290.15 million in Fiscal 2016, an increase of 24.91% over our long-term loans and advances of ₹232.29 million in Fiscal 2015. This increase was primarily due to an increase in the minimum alternate tax credit entitlement by 11.67%, from ₹127.50 million in Fiscal 2015 to ₹142.38 million in Fiscal 2016 and an increase in our other loans and advances by 13,400%, from ₹0.21 million in Fiscal 2015 to ₹28.35 million in Fiscal 2016.

Current Assets

Our current assets were 2,513.32 million in Fiscal 2016, an increase of 13.92% over our current assets of ₹2,206.13 million in Fiscal 2015. This was primarily due to an 18.82% increase in our inventories from ₹1,073.12 million in Fiscal 2015 to ₹1,275.07 million in Fiscal 2016 and a 9.85% increase in our trade receivables from ₹742.94 million in Fiscal 2015 to ₹816.10 million in Fiscal 2016.

Our Results of Operations

The table below sets forth our restated consolidated summary results of operations for the Fiscal Years 2016, 2015 and 2014 and each item as a percentage of our total revenue for the periods indicated.

(Amount in ₹ million)

Particulars	Fiscal Year 2016		Fiscal Year 2015		Fiscal Year 2014	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
REVENUE						
Revenue from operations (net)	5,328.25	99.08	4,725.66	98.61	4,508.72	99.73
Other income	49.29	0.92	66.67	1.39	12.01	0.27
Total revenue	**5,377.54**	**100.00**	**4,792.33**	**100.00**	**4,520.73**	**100.00**
Expenses						
(a) Cost of materials consumed	2,323.22	43.20	2,027.52	42.31	1,830.41	40.49
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(281.03)	(5.23)	34.97	0.73	238.40	5.27
(c) Employee benefits expense	1,211.42	22.53	999.90	20.86	760.88	16.83
(d) Finance costs	252.72	4.70	311.60	6.50	355.71	7.87
(e) Depreciation and amortisation expense	201.00	3.74	199.67	4.17	176.16	3.90
(f) Other expenses	1,221.57	22.72	974.42	20.33	1,040.45	23.02
Total expenses	**4,928.90**	**91.66**	**4,548.08**	**94.90**	**4,402.01**	**97.37**
Profit/(Loss) before tax	**448.64**	**8.34**	**244.25**	**5.10**	**118.72**	**2.63**
Tax expense/(benefit):						
(a) Current tax expense	66.89	1.24	70.65	1.47	28.76	0.64
(b) (Less): MAT credit	(14.88)	(0.28)	(68.89)	(1.44)	(25.14)	(0.56)
(c) Wealth Tax	-	0.00	-	0.00	-	0.00
(d) Deferred Tax	55.32	1.03	145.73	3.04	50.51	1.12
Net Tax expenses	107.33	2.00	147.49	3.08	54.13	1.20
Net Profit for the year before Minority Interest	**341.31**	**6.35**	**96.76**	**2.02**	**64.59**	**1.43**
Minority Interest	**(5.83)**	**(0.11)**	**(3.72)**	**(0.08)**	**(2.08)**	**(0.05)**
Net Profit for the year (as restated)	**347.14**	**6.46**	**100.48**	**2.10**	**66.67**	**1.47**

Fiscal 2016 Compared to Fiscal 2015

In Fiscal 2016, our Company's business expansion was driven by an increase in the orders received from our existing customers in relation to our garments division along with an expansion in the operations of our retail division. Such business expansion did not lead to a corresponding increase in our expenses on account of operational efficiencies and economies of scale. A reduction in the interest rates helped in reduction of our interest cost. All these factors led to an improvement in our profitability. Set forth below is a comparative analysis of the various heads of our profit and loss statement between Fiscal 2016 and Fiscal 2015.

Total Revenue

We had total revenue of ₹5,377.54 million in Fiscal 2016, an increase of 12.21% over our total revenue of ₹4,792.33 million in Fiscal 2015. The increase in total revenue was primarily due to a 12.75% increase in total revenue from operations from ₹4,725.66 million in Fiscal 2015 to ₹5,328.25 million in Fiscal 2016.

Revenue from Operations

We had total revenue from operations of ₹5,328.25 million in Fiscal 2016, an increase of 12.75% over our total revenue from operations of ₹4,725.66 million in Fiscal 2015. The increase in revenue from operations was primarily due to a 14.81% increase in the sale of manufactured products from ₹4,179.68 million in Fiscal 2015 to ₹4,798.85 million in Fiscal 2016 and a 15.63% increase in other operating revenues (including with respect to duty draw back and other export incentives) from ₹337.77 million in Fiscal 2015 to ₹390.55 million in Fiscal 2016.

Other Income

We had revenue from other income of ₹49.29 million in Fiscal 2016, a decrease of 26.07% over our total revenue from other income of ₹66.67 million in Fiscal 2015. The decrease in revenue from other income was primarily due to a decrease in non-recurring income from ₹61.46 million in Fiscal 2015 to ₹44.43 million in Fiscal 2016. A substantive portion of the decrease in our non-recurring income was due to decrease in our net gain on foreign currency transactions and translation which was ₹59.33 in Fiscal 2015 and decreased to ₹42.53 million in Fiscal 2016, decrease in profit on sale of fixed assets from ₹1.05 million in Fiscal 2015 to nil in Fiscal 2016 and decrease in laboratory testing charges from ₹0.29 million in Fiscal 2015 to ₹0.12 million in Fiscal 2016.

Total Expenses

We had total expenses of ₹4,928.90 million in Fiscal 2016, an increase of 8.37% over our total expenses of ₹4,548.08 million in Fiscal 2015. The increase in our total expenses was primarily due to a 14.58% increase in our cost of materials consumed from ₹2,027.52 million in Fiscal 2015 to ₹2,323.22 million in Fiscal 2016, 21.15% increase in employee benefits expenses from ₹999.90 million in Fiscal 2015 to ₹1,211.42 million in Fiscal 2016, 25.36% increase in our other expenses from ₹974.42 million in Fiscal 2015 to ₹1,221.57 million in Fiscal 2016 and 0.67% increase in depreciation and amortization expense from ₹199.67 million in Fiscal 2015 to ₹201.00 million in Fiscal 2016. This was partially offset by decrease in finance costs by 18.90%. Our changes in inventories of finished goods and work-in-progress was at ₹(281.03) million in Fiscal 2016 as compared to ₹34.97 million in Fiscal 2015. This was due to an increase in orders received from customers.

Cost of Materials Consumed

There was 14.58% increase in our total cost of material consumed from ₹2,027.52 million in Fiscal 2015 to ₹2,323.22 million in Fiscal 2016. This was primarily attributable to an increase in the cost of purchase of yarn, accessories, cotton, packing materials and garments by 47.20%, 31.06%, 1.55%, 19.53% and 353.83% respectively and a decrease in the costs of purchase of fabric and chemicals and dyes by 57.91% and 19.00%, respectively.

Changes in Inventories of Finished Goods and Work-in-Progress

Change in inventories of finished goods and work-in-progress totalled ₹(281.03) million in Fiscal 2016 as compared to ₹34.97 million in Fiscal 2015. This was primarily attributable to an increase of inventory of finished goods by 1,344.51% and a decrease of inventory of work-in-progress by 472.82% in our closing stock on account of orders received from customers.

Employee Benefits Expenses

Our employee benefits expenses totalled ₹1,211.42 million in Fiscal 2016 as compared to ₹999.90 million in Fiscal 2015, an increase of 21.15%. The increase in expenses on employee benefits was primarily attributable to a 23.04% increase in salaries and wages from ₹802.51 million in Fiscal 2015 to ₹987.39 million in Fiscal 2016, 31.80% increase in contribution to provident and other funds from ₹75.48 million in Fiscal 2015 to ₹99.48 million in Fiscal 2016 and 2.17% increase in contribution to staff welfare expenses from ₹121.91 million in Fiscal 2015 to ₹124.55 million in Fiscal 2016. Such increases were due to an increase in the number of our employees and an annual increment in remuneration payable to employees.

Finance Costs

Our finance costs decreased from ₹311.60 million in Fiscal 2015 to ₹252.72 million in Fiscal 2016, a decrease of 18.90% primarily due to decrease in the interest paid on borrowings as a consequence of a reduction in the principal amount outstanding on account of repayment of certain debt.

Other Expenses

Our other expenses increased from ₹974.42 million in Fiscal 2015 to ₹1,221.57 million in Fiscal 2016. The increase in other expenses was primarily attributable to an increase in fabrication charges from ₹54.19 million in Fiscal 2015 to ₹77.23 million in Fiscal 2016, power and fuel charges from ₹186.38 million in Fiscal 2015 to ₹197.53 million in Fiscal 2016, other manufacturing expenses from ₹385.16 million in Fiscal 2015 to ₹438.37 million in Fiscal 2016, travelling and conveyance expenses from ₹26.98 million in Fiscal 2015 to ₹42.19 million in Fiscal 2016, clearing, forwarding and freight expenses from ₹83.67 million in Fiscal 2015 to ₹117.38 million in Fiscal 2016, business promotion expenses ₹24.59 million in Fiscal 2015 to ₹63.80 million in Fiscal 2016, royalty payments from ₹5.34 million in Fiscal 2015 to ₹16.40 million in Fiscal 2016 and a provision for mark to market gain (loss) on forward contracts from ₹22.74 million to ₹(3.61) million in Fiscal 2016.

Restated Profit before Tax

As a result of the factors outlined above, our restated profit before tax increased by 83.68% to ₹448.64 million in Fiscal 2016 from ₹244.25 million in Fiscal 2015. As a percentage of total revenue, our restated profit before tax increased from 5.10% in Fiscal 2015 to 8.34% in Fiscal 2016.

Tax Expenses

We recorded a current tax expense of ₹66.89 million for Fiscal 2016 as compared to ₹70.65 million for Fiscal 2015, a decrease of 5.32%. This was primarily due to decrease in the effective tax rate. We recorded a deferred tax liability of ₹55.32 million in Fiscal 2016 as compared to ₹145.73 million in Fiscal 2015 and a MAT credit of ₹14.88 million in Fiscal 2016 as compared to ₹68.89 million in Fiscal 2015.

Minority Interest

Our minority interest totalled ₹(5.83) million for Fiscal 2016 as compared to ₹(3.72) million for Fiscal 2015.

Net Profit after Tax and Minority Interest

As a result of the factors outlined above, our restated profit after tax increased by 245.47% to ₹347.14 million in Fiscal 2016 from ₹100.48 million in Fiscal 2015.

Fiscal 2015 Compared to Fiscal 2014

Total Revenue

We had total revenue of ₹4,792.33 million in Fiscal 2015, an increase of 6.01% over our total revenue of ₹4,520.73 million in Fiscal 2014. The increase in total revenue was primarily due to a 4.81% increase in total revenue from operations from ₹4,508.72 million in Fiscal 2014 to ₹4,725.66 million in Fiscal 2015 and a 455.12% increase in other income from ₹12.01 million in Fiscal 2014 to ₹66.67 million in Fiscal 2015.

Revenue from Operations

We had total revenue from operations of ₹4,725.66 million in Fiscal 2015, an increase of 4.81% over our total revenue from operations of ₹4,508.72 million in Fiscal 2014. The increase in revenue from operations was primarily due to a 4.65% increase in the sale of manufactured products from ₹3,994.01 million in Fiscal 2014 to ₹4,179.68 million in Fiscal 2015 and a 10.03% increase in other operating revenues (including with respect to duty draw back and other export incentives) from ₹306.98 million in Fiscal 2014 to ₹337.77 million in Fiscal 2015.

Other Income

We had revenue from other income of ₹66.67 million in Fiscal 2015, an increase of 455.12% over our total revenue from other income of ₹12.01 million in Fiscal 2014. The increase in revenue from other income was primarily due to a significant increase in non-recurring income from ₹2.59 million in Fiscal 2014 to ₹61.46 million in Fiscal 2015. A substantive portion of the increase in our non-recurring income was due to increase in our net gain on foreign currency transactions and translation which was nil in Fiscal 2014 and increased to ₹59.33 million in Fiscal 2015 and marginal increase in profit on sale of fixed assets from ₹0.93 million in Fiscal 2014 to ₹1.05 million in Fiscal 2015 and laboratory testing charges from nil in Fiscal 2014 to ₹0.29 million in Fiscal 2015.

<u>Total Expenses</u>

We had total expenses of ₹4,548.08 million in Fiscal 2015, an increase of 3.32% over our total expenses of ₹4,402.01 million in Fiscal 2014. The increase in our total expenses was primarily due to a 10.77% increase in our cost of materials consumed from ₹1,830.41 million in Fiscal 2014 to ₹2,027.52 million in Fiscal 2015, 13.35% increase in depreciation and amortization expense from ₹176.16 million in Fiscal 2014 to ₹199.67 million in Fiscal 2015 and 31.41% increase in employee benefits expenses from ₹760.88 million in Fiscal 2014 to ₹999.90 million in Fiscal 2015. This was partially offset by decrease in expenses like changes in inventories of finished goods and work-in-progress, finance costs and other expenses by 85.33%, 12.40% and 6.35%, respectively.

Cost of Materials Consumed

There was 10.77% increase in our total cost of material consumed from ₹1,830.41 million in Fiscal 2014 to ₹2,027.52 million in Fiscal 2015. This was primarily attributable to decreases in the costs of purchase of yarn, fabric, garments and packing materials, stores and consumables by 10.39%, 36.78%, 5.91% and 2.10%, respectively.

Changes in Inventories of Finished Goods and Work-in-Progress

Change in inventories of finished goods and work-in-progress totalled ₹34.97 million in Fiscal 2015, as compared to ₹238.40 million in Fiscal 2014. The decrease in inventory was primarily attributable to operational efficiencies that led to a lower stock holding of our inventories of finished goods and work-in-progress by 64.22% and 83.46%, respectively.

Employee Benefits Expenses

Our employee benefits expenses totalled ₹999.90 million in Fiscal 2015, as compared to ₹760.88 million in Fiscal 2014. The increase in expenses on employee benefits was primarily attributable to a 27.10% increase in salaries and wages from ₹631.38 million in Fiscal 2014 to ₹802.51 million in Fiscal 2015, an 81.79% increase in contribution to provident and other funds from ₹41.52 million in Fiscal 2014 to ₹75.48 million in Fiscal 2015 and a 38.57% increase in staff welfare expenses from ₹87.98 million in Fiscal 2014 to ₹121.91 million in Fiscal 2015. Such increases were due to an increase in the number of our employees and an annual increment in remuneration payable to employees.

Finance Costs

Our finance costs decreased from ₹355.71 million in Fiscal 2014 to ₹311.60 million in Fiscal 2015, a decrease of 12.40% primarily due to decrease in: (a) the interest paid on borrowings as a consequence of a reduction in the principal amount outstanding on account of repayment of certain debt as well as a reduction in other borrowing costs; and (b) a reduction in net loss on foreign currency transactions and translations arising out of working capital facilities denominated in foreign currencies.

Other Expenses

Our other expenses totalled ₹974.42 million in Fiscal 2015, as compared to ₹1,040.45 million in Fiscal 2014. The decrease in other expenses was primarily attributable to a decrease in selling and manufacturing expenses, recognition of mark to market gain on forward contracts of ₹22.74 million in Fiscal 2015 as compared to a provision for mark to market (loss) on forward contracts of ₹(16.18) million in Fiscal 2014 and a decrease in net (loss) on foreign currency transactions and translations from ₹ (35.12) million in Fiscal 2014 to nil in Fiscal 2015.

Restated Profit before Tax

As a result of the factors outlined above, our restated profit before tax increased by 105.74% to ₹244.25 million in Fiscal 2015 from ₹118.72 million in Fiscal 2014. As a percentage of total revenue, our restated profit before tax increased from 2.63% in Fiscal 2014 to 5.10% in Fiscal 2015.

Tax Expenses

We recorded a current tax expense of ₹70.65 million for Fiscal 2015 as compared to ₹28.76 million for Fiscal 2014, an increase of 145.65%. This was primarily due to increase in the profit of the Company. We continued to derive MAT credit and this increase from ₹25.14 million in Fiscal 2014 to ₹68.89 million in Fiscal 2015 helped us offset some of the tax expenses for the year.

Minority Interest

Our minority interest totalled ₹(3.72) million for Fiscal 2015 as compared to ₹(2.08) million for Fiscal 2014.

Net Profit after Tax and Minority Interest

As a result of the factors outlined above, our restated profit after tax increased by 50.73% to ₹100.48 million in Fiscal 2015 from ₹66.67 million in Fiscal 2014.

Fiscal 2014 Compared to Fiscal 2013

Total Revenue

We had total revenue of ₹4,520.73 million in Fiscal 2014, an increase of 5.41% over our total revenue of ₹4,288.91 million in Fiscal 2013. The increase in total revenue was primarily due to a 5.22% increase in total revenue from operations from ₹4,285.03 million in Fiscal 2013 to ₹4,508.72 million in Fiscal 2014 and a 209.54% increase in other income from ₹3.88 million in Fiscal 2013 to ₹12.01 million in Fiscal 2014.

Revenue from Operations

We had total revenue from operations of ₹4,508.72 million in Fiscal 2014, an increase of 5.22% over our total revenue from operations of ₹4,285.03 million in Fiscal 2013. The increase in revenue from operations was primarily due to a 2.05% increase in the sale of manufactures products from ₹3,913.71 million in Fiscal 2013 to ₹3,994.01 million in Fiscal 2014, a 132.54% increase in the sale of dyeing, embroidery and other services from ₹89.33 million in Fiscal 2013 to ₹207.73 million in Fiscal 2014, and an 8.86% increase in other operating revenues primarily with respect to duty draw back and other export incentives and sale of scrap from ₹281.99 million in Fiscal 2013 to ₹306.98 million in Fiscal 2014.

Other Income

We had revenue from other income of ₹12.01 million in Fiscal 2014, an increase of 209.54% over our total revenue from other income of ₹3.88 million in Fiscal 2013. The increase in revenue from other income was primarily due to a significant increase in our income from interest from bank deposits totalling ₹9.41 million in Fiscal 2014 as compared to ₹0.71 million in Fiscal 2013. We also earned an amount of ₹0.93 million from profit on sale of fixed assets in Fiscal 2014 as against no such income in Fiscal 2013. This was partially offset by a decrease in our non-recurring income like dividend income and miscellaneous income from ₹3.16 million in Fiscal 2013 to ₹1.66 million in Fiscal 2014.

Total Expenses

We had total expenses of ₹4,402.01 million in Fiscal 2014, an increase of 3.64% over our total expenses of ₹4,247.52 million in Fiscal 2013. The increase in our total expenses was primarily due to a 7.14% increase in our cost of materials consumed from ₹1,708.48 million in Fiscal 2013 to ₹1,830.41 million in Fiscal 2014, change in inventories of finished goods and work-in-progress totalled ₹238.40 million in Fiscal 2014, as compared to ₹(8.14) million in Fiscal 2013, a 3.63% increase in finance costs from ₹343.26 million in Fiscal 2013 to ₹355.71 million in Fiscal 2014 and 4.33% increase in depreciation and amortization expense from ₹168.85 million in Fiscal 2013 to ₹176.16 million in Fiscal 2014. This was partially set-off by the decrease in other expenses from ₹1,248.70 million in Fiscal 2013 to ₹1,040.45 million in Fiscal 2014 and employee benefits expenses from ₹786.37 million in Fiscal 2013 to ₹760.88 million in Fiscal 2014.

Cost of Materials Consumed

There was a 7.14% increase in our total cost of materials consumed from ₹1,708.48 million in Fiscal 2013 to ₹1,830.41 million in Fiscal 2014. This was primarily attributable to increases in the costs of purchase of yarn, fabric, accessories, cotton, chemicals and dyes, packing materials, stores and consumables by 4.72%, 40.52%, 18.04%, 53.97%, 29.48% and 19.19%, respectively, which was partially offset by a decrease of 29.13% in the cost of purchase of garments.

Changes in Inventories of Finished Goods and Work-in-Progress

Change in inventories of finished goods and work-in-progress totalled ₹238.40 million in Fiscal 2014, as compared to ₹ (8.14) million in Fiscal 2013. The change in inventory was primarily attributable to a 781.17% reduction in our inventory of work-in-progress on account of change in delivery schedule of our customers.

Employee Benefits Expenses

Our employee benefits expenses totalled ₹760.88 million in Fiscal 2014, as compared to ₹786.37 million in Fiscal 2013. The decrease in expenses on employee benefits was primarily attributable to a 29.94% decrease in contribution to provident and other funds from ₹59.26 million in Fiscal 2013 to ₹41.52 million in Fiscal 2014 and a 7.91% decrease in staff welfare expenses from ₹95.54 million in Fiscal 2013 to ₹87.98 million in Fiscal 2014 due to efficiencies in production together with a reduction in overtime wages paid to employees in Fiscal 2013.

Finance Costs

Our finance costs increased from ₹343.26 million in Fiscal 2013 to ₹355.71 million in Fiscal 2014, an increase of 3.63%, primarily due to a loss on foreign currency transactions and translations arising out of working capital facilities denominated in foreign currencies in Fiscal 2014 as against a gain in Fiscal 2013; increases in other interest and bank charges paid and other borrowing costs, which was partially offset by a decrease in interest on borrowings on account of repayment of certain debt.

Other Expenses

Our other expenses totalled ₹1,040.45 million in Fiscal 2014, as compared to ₹1,248.70 million in Fiscal 2013. The decrease in other expenses was primarily attributable to a significant reduction in power and fuel costs with the easing of the power situation in Tamil Nadu, decrease in the expenses for clearing, forwarding and freight charges and business promotion. Further, net losses on foreign currency transactions and translations on account of customer receivables reduced by 61.39% from ₹90.95 million in Fiscal 2013 to ₹35.12 million in Fiscal 2014 and other manufacturing expenses decreased by 14.10%.

Restated Profit before Tax

As a result of factors outlined above, our restated profit before tax increased by 186.83% to ₹118.72 million in Fiscal 2014 from ₹41.39 million in Fiscal 2013. As a percentage of total revenue, our restated profit before tax increased from 0.97% in Fiscal 2013 to 2.63% in Fiscal 2014.

Tax Expenses

We recorded a current tax expense of ₹28.76 million for Fiscal 2014 as compared to ₹11.64 million for Fiscal 2013, an increase of 147.08%. This was primarily due to increase in the profit of the Company. We continued to derive MAT credit and this increase from ₹10.45 million in Fiscal 2013 to ₹25.14 million in Fiscal 2014 which helped us offset some of the tax expenses for the year.

Minority Interest

Our minority interest totalled ₹(2.08) million for Fiscal 2014 as compared to ₹(3.33) million for Fiscal 2013.

Net Profit after Tax and Minority Interest

As a result of the factors outlined above, our restated profit after tax increased by 182.01% to ₹66.67 million in Fiscal 2014 from ₹23.64 million in Fiscal 2013, thereby increasing our net profit margin from 0.55% in Fiscal 2013 to 1.47% in Fiscal 2014.

Liquidity and Capital Resources

We finance our operations with cash from operations. Historically, our principal sources of liquidity have been internal accruals, proceeds from sale of our securities, bank overdrafts and working capital facilities and cash flows from operations. We may, require additional cash resources due to changing business conditions or other future developments, including any investments or acquisitions or capital expenditure we may decide to pursue. Our working capital needs are primarily to meet our operating and production expenses (including cost of inventory and receivables). Our capital requirements include the purchase of plant and machinery and related civil works.

As of March 31, 2016, our primary sources of liquidity were ₹111.29 million of cash and bank balances which are available on demand. As of March 31, 2016, there were no bank overdrafts. Our trade receivables increased from ₹742.94 million on March 31, 2015 to ₹816.10 million on March 31, 2016, primarily as a result of an increase in sales. Our other current assets primarily consist of current investments, inventories, short term loans and advances and other current assets like interest accrued on deposits and insurance claims.

We also have secured and unsecured long-term and short-term borrowings from banks, related parties and others. As of March 31, 2016, out total borrowings were ₹2,593.64 million. For a description of the terms of our indebtedness, see the section "*Financial Indebtedness*" on page 309.

The following table sets forth our consolidated summary statement of cash flows for the periods indicated:

(Amount in ₹ million)

Particulars	For the Fiscal year ended		
	31-Mar-16	**31-Mar-15**	**31-Mar-14**
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax and exceptional item	448.64	244.25	118.72
Cash Generated from Operations	541.62	**865.48**	**596.15**
Net income tax (paid)/refunds	(60.33)	(29.57)	(15.18)
Net cash flow from/(used in) operating activities	**481.29**	**835.91**	**580.97**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Net cash flow from/(used in) investing activities	**(280.60)**	**(58.16)**	**(139.62)**

Particulars	For the Fiscal year ended		
	31-Mar-16	31-Mar-15	31-Mar-14
C. CASH FLOW FROM FINANCING ACTIVITIES			
Net cash flow from/(used in) financing activities	**(191.64)**	**(772.44)**	**(437.08)**
Net increase/(decrease) in Cash and cash equivalents	9.05	5.31	4.27
Cash and cash equivalents at the end of the year	**50.11**	**41.11**	**35.83**

Net Cash From/(Used In) Operating Activities

Our net cash generated from operating activities for the Fiscal 2016 was ₹481.29 million. While our restated profit before tax was ₹448.64 million for the Fiscal 2016, we had operating profit before working capital changes of ₹906.35 million primarily as a result of non-cash items such as depreciation and amortization, amount written off for bad debts, provision for doubtful trade receivables, finance costs, provision for mark to market loss on forward contracts and loss on sale of assets. Our working capital adjustments to our net cash from operations for the Fiscal 2016, primarily included an increase in inventories of ₹201.95 million, loans and advances/current assets of ₹74.23 million, trade receivables of ₹69.61 million and a decrease in trade payables/provisions/other current liabilities of ₹18.94 million.

Our net cash generated from operating activities for the Fiscal 2015 was ₹835.91 million. While our restated profit before tax was ₹244.25 million for Fiscal 2015, we had operating profit before working capital changes of ₹730.57 million primarily as a result of non-cash items such as depreciation and amortization, amount written off for bad debts, provision for doubtful trade receivables, finance costs and unrealized foreign exchange loss. Our working capital adjustments to our net cash from operations for Fiscal 2015, primarily included decrease in inventories of ₹179.42 million, increase in loans and advances and current assets of ₹1.32 million and increase in trade receivables of ₹207.09 million as offset by increase in trade payables/other current liabilities/provisions of ₹163.90 million.

Our net cash generated from operating activities for the Fiscal 2014 was ₹580.97 million. While our restated profit before tax was ₹118.72 million for Fiscal 2014, we had operating profit before working capital changes of ₹657.90 million primarily as a result of non-cash items such as depreciation and amortization, amount written off for bad debts, finance costs, unrealized foreign exchange loss and provision for mark to market loss on forward contracts. Our working capital adjustments to our net cash from operations for Fiscal 2015, primarily included decrease in inventories of ₹4.47 million, decrease in loans and advances and current assets of ₹34.82 million and increase in trade receivables of ₹31.87 million as offset by decrease in trade payables/other current liabilities/provisions of ₹69.17 million.

Net Cash From/(Used In) Investing Activities

Our net cash used in investing activities for the Fiscal 2016 was ₹280.60 million, primarily consisting of capital expenditure on fixed assets of ₹258.35 million, bank deposits of ₹33.81 million and purchase of long-term investments of ₹2.24 million partially offset by proceeds from sale of fixed assets of ₹3.28 million, proceeds from the sale of long-term investments of ₹4.58 million, dividend received of ₹0.03 million and interest on bank deposits received of ₹5.92 million.

Our net cash used in investing activities for the Fiscal 2015 was ₹58.16 million, primarily consisting of capital expenditure on fixed assets of ₹150.24 million and purchase of long-term investments of ₹4.56 million partially offset by proceeds from the sale of fixed assets of ₹2.18 million, withdrawal of bank deposits of ₹80.73 million, proceeds from the sale of long-term investments of ₹3.89 million and interest on bank deposits received of ₹9.84 million.

Our net cash used in investing activities for the Fiscal 2014 was ₹139.62 million, primarily consisting of capital expenditure on fixed assets of ₹80.02 million and bank deposits of ₹78.85 million partially offset by proceeds from the sale of fixed assets of ₹12.85 million, proceeds from the sale of long-term investments of ₹2.86 million and interest on bank deposits received of ₹3.54 million.

Net Cash From/(Used In) Financing Activities

Our net cash used in financing activities for the Fiscal 2016 was ₹191.64 million, primarily consisting of finance costs of ₹253.05 million partially offset by net proceeds of long-term borrowings of ₹4.19 million and short-term borrowings of ₹57.22 million.

Our net cash used in financing activities for the Fiscal 2015 was ₹772.44 million, primarily consisting of repayment of long-term borrowings of ₹289.10 million, repayment of short term borrowings of ₹160.29 million and finance costs of ₹323.05 million.

Our net cash used in financing activities for the Fiscal 2014 was ₹437.08 million, primarily consisting of repayment of long-term borrowings of ₹233.36 million and finance costs of ₹375.73 million partially offset by proceeds from the issue of share capital of ₹72.49 million and net proceeds of short-term borrowings of ₹99.52 million.

Planned Capital Expenditures

For information relating to our planned capital expenditures, see the section "*Objects of the Offer – Details of the Object of the Fresh Issue*" on page 79.

Contractual Obligations

As of March 31, 2016, our estimated amount of contracts yet to be executed on capital account (net of advances made already) and not provided for was ₹56.71 million.

Contingent Liabilities

Our Company and the Subsidiaries on a consolidated basis, do not recognize contingent liabilities but discloses it in the financial statements. As of March 31, 2016, we had the following contingent liabilities that had not been provided for:

(Amount in ₹million)

Particulars	As at March 31, 2016
Outstanding export obligations for EPCG license	178.11
Bank guarantees	4.40
ESI demand	-
Income-tax demand–disputed	34.09
Service Tax–disputed	0.54
VAT–disputed	5.02
Total	**222.16**

For further details on our contingent liabilities and capital commitments, see the section "*Financial Statements*" on page 175. For further information on tax disputes, see the section "*Outstanding Litigation and Material Developments*" on page 324.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal Year or in the future.

Related Party Transactions

We have in the past engaged, and in the future may engage, in transactions with related parties, including with our affiliates. Such transactions could be for, among other things, managerial remuneration, loans and advances and rental payments. For further information relating to our related party transactions, see the section "*Related Party Transactions*" on page 173.

Off-Balance Sheet Transactions

We have certain outstanding forward contracts for hedging foreign exchange related risks for the USD, Euro and GBP.

Market Risks

Interest Rate Risk

Our exposure to interest rate risk arises principally from interest on our indebtedness. As of March 31, 2016, our aggregate outstanding indebtedness was ₹2,593.64 million comprising of long-term borrowings, short-term borrowings and current maturities of long-term borrowings. Interest on our indebtedness is linked to the bank's base lending rate and we are subject to market risk from changes in interest rates. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, de-regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which could adversely affect our operations. We have not entered into any interest rate swaps to hedge the interest rate risk.

Commodity Risk

We are exposed to the price risk associated with the purchase of our key raw material, i.e., cotton and cotton-based products. Typically, we do not enter into long-term contractual arrangements with the suppliers of cotton. Therefore, fluctuations in the price and availability of cotton and cotton-based products may affect our business and results of our operations. The fact that cotton is grown under diverse agro-climatic conditions may impact the availability of cotton. For further information, see the section "*Risk Factors – Internal Risks – Risks Related to our Business – Our Company may not be able to obtain sufficient quantities or required quality of raw materials in a timely manner for our manufacturing operations which could have an impact on the timelines for supplying products to our customers*" on page 23.

Unusual or Infrequent Events or Transactions

Except as described in this Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in the sections "*Risk Factors*" and this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14 and 285, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

Future Relationships between Costs and Income

Except as described in the sections "*Risk Factors*" and this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14 and 285, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations or finances.

New Product or Business Segments

Except as described in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Segment Information*" on page 294, we have not announced and do not expect to announce any new products or business segments in the near future.

Competitive Conditions

We currently compete with limited players in the export market for knitted garments for infants and children. We compete directly against wholesalers and direct retailers of garments, diversified garments companies with substantial market share, established companies selling internationally renowned brands as well as domestic retailers and regional competitors. Many of our competitors are large garments companies with strong brand recognition.

We expect that competitive conditions to intensify further as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products which could impact the pace of our growth. For further information, see the sections "*Risk Factors – Internal Risks – Risks Related to our Business - There is significant competition in the retail sector which may have an impact on our retail division in relation to our 'Crocodile' menswear brand*", "*Risk Factors – External Risks – Risks Relating to India – Indian garments exporters face significant competition in our principal markets*" and "*Our Business – Competition*" on pages 27, 32 and 137, respectively.

Other

Forward Contracts with Axis Bank Limited: Our Company has filed a suit against Axis Bank Limited in relation to certain derivative contracts entered into by the Company with Axis Bank Limited. For further details, see the section "*Outstanding Litigation and Material Developments – Litigation involving our Company – Other Litigation initiated by our Company*" on page 325. The amount of ₹168.70 million paid by the Company in respect of such derivative contracts which was recorded in the audited financial statements of the Company as loans and advance and has been adjusted from the opening reserves for Fiscal Year 2011 in the Restated Financial Statements.

Significant Developments after March 31, 2016

To our knowledge, except as disclosed below and otherwise disclosed in this Prospectus, there is no subsequent development after the date of our financial statements contained in this Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

Working capital facility availed from the State Bank of Travancore: A working capital credit facility aggregating to ₹200.00 million has been availed by our Company from the State Bank of Travancore pursuant to a sanction letter dated May 13, 2016 and loan agreement dated June 22, 2016. For further details, see the section "*Financial Indebtedness – Details of Financing Arrangements entered into by our Company after March 31, 2016*" on page 320.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of outstanding financing arrangements as of August 4, 2016 together with a brief description of certain significant terms of such financing arrangements, in respect of our Company:

Details of Secured Borrowings/Facilities of our Company

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
1.	Allahabad Bank	Buyers credit – rollover of letter of credit	14.15	14.15	12 month Euribor + 53 basis points	November 9, 2016	The facility is secured against • three fixed deposits with Allahabad Bank for an aggregate amount ₹14.8 million
2.	Andhra Bank	Term loan for construction of building and purchase of machinery (Letter of Sanction dated September 27, 2010 and as restructured through letter dated January 7, 2014 and agreement dated September 28, 2010 and supplemental and amendatory agreement dated February 21, 2014 for reschedulement of the term loan)	188.50	152.20	Base rate 4.00% p.a. + tax payable	24 unequal quarterly instalments commencing from June 22, 2015 with 17 months moratorium commencing from November 2013 until March 2015	The facility is secured by • first *pari passu* charge on the assets created using the proceeds of this loan The collateral security for the facility are • second *pari passu* charge on the fixed and current assets of our Company • equitable mortgage on the land on which the factory at Sathyamangalam is located admeasuring 3 acres owned by Mr. P. Sundararajan (Promoter) • personal guarantee by the Promoters and the daughter of the Promoters

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
3.	Bank of India	Term loan (Sanction letter dated December 6, 2007 renewed on March 13, 2014, June 26, 2015 and January 28, 2016 and Hypothecation cum Loan Agreement dated June 4, 2010)	170.60	21.19	Base rate + 4.55% p.a. (valid until January 28, 2017)	Tenor is nine years Repayment in 27 unequal quarterly instalments commencing from September 2010	This facility is secured by • first *pari passu* charge on the block assets of our Company excluding those exclusively charged to Tamil Nadu Industrial Investment Corporation Limited • exclusive charge by way of equitable mortgage of property located at Valapady admeasuring 9.06 acres in the name of our Company • demand promissory note for ₹340.50 million The collateral security for the facilities are • exclusive charge on land and building situated at Avinashi at 246/2B admeasuring 1.87 acres and at Avinashi at 245/1 admeasuring 1.11 acres provided by the Promoters • second *pari passu* charge on the various landed properties provided by our Company and the Promoters • personal guarantees by the Promoters
		Term loan (Sanction letter dated December 6, 2007 renewed on March 13, 2014, June 26, 2015 and January 28, 2016 and Hypothecation cum Loan Agreement dated June 4, 2010)	61.50	52.83	Base rate + 4.55% p.a. (valid until January 28, 2017)	Tenor is nine years and three months Repayment in 34 unequal quarterly instalments commencing from June 2011	
		Term loan (Sanction letter dated December 6, 2007 renewed on March 13, 2014, June 26, 2015 and January 28, 2016 and Hypothecation cum Loan Agreement dated June 4, 2010)	74.50	26.04	Base rate + 4.55% p.a. (valid until January 28, 2017)	Tenor is nine years and three months Repayment in 33 unequal quarterly instalments commencing from September 2011	

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
		Cash credit (stocks and book debts) (Sanction letter dated January 28, 2016)	60.00	57.00	Base rate + 3.80% (valid until January 28, 2017)	Repayable on demand	
4.	IDBI Bank Limited	Working capital facilities (Sanction letter dated May 10, 2012 as renewed on October 8, 2013 and April 7, 2015 and facilities agreement dated February 27, 2015)					
		Facility 1 - Export packing credit/packing credit in foreign currency	200.00	73.87 (2) (USD 1.10) 39.90	Base rate + 300 basis points p.a.	Tenor not to exceed 180 days	The facilities are secured by • first *pari passu* charge over the current assets of our Company both present and future • second *pari passu* charge on the fixed assets of our Company except those that are exclusively charge to other term lenders, both present and future • personal guarantees provided by the Promoters
		Facility 2 - Foreign bill purchase/export bill rediscounting/foreign bill discounting/foreign bill negotiation (inner limit to EPC/PCFC) – sub-limit within the working capital facility of ₹200.00 million		-	Base rate + 300 basis points p.a.	Tenor not to exceed 180 days	
		Facility 3 - Cash credit (inner limit to EPC/PCFC) – sub-limit within the working capital facility of ₹200.00 million		97.49	Base rate + 400 basis points payable monthly	Tenor is one year Repayable on demand	
		Facility 4 - Treasury limit – loan equivalent risk (for hedging)	50.00	33.73	-	-	The facility is secured by • personal guarantees provided by the Promoters

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
		Facility 5 – Cash management system limit	10.00	-	-	-	-
5.	Muthoot Fincorp Limited[(1)]	Term loan (Loan agreement dated May 8, 2015)	30.00	30.00	18.5% p.a. to be compounded monthly	Repayment in eight unequal quarterly instalments commencing from August 1, 2016	The facility is secured by • first exclusive charge by way of an equitable mortgage on immovable property admeasuring 0.17 acres (S.F.N.647/1C) and 1.68 acres (G.S. no.647/2B) located at 378-D, Samichettipalayam, Gudalur Village, Gudalur Panchayat, Coimbatore Taluk, Coimbatore District • second charge on the current assets and moveable properties of our Company including plant and machinery, machinery spares, tools and accessories • personal guarantees provided by the Promoters
6.	State Bank of Mysore	Term loans and working capital facilities (Sanction letter dated April 10, 2015)					The facility is secured by • second *pari passu* charge on the entire fixed assets of our Company • exclusive mortgage of land and building owned by the Promoters admeasuring 5.39 acres located at Thekkalur village, admeasuring 2.84 acres located at Neelambur village, admeasuring 8.17 acres located at Avinashi village, admeasuring 8.50 acres located at Mudhalipalayam area in Neelambar village and admeasuring 10.62 acres located at Kaikattipudur in Avinashi on *pari passu* basis

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
							The collateral security for the term loans are • second *pari passu* charge on the current assets of our Company • exclusive mortgage of land and building owned by the Promoters admeasuring 5.39 acres located at Thekkalur village, admeasuring 2.84 acres located at Neelambur village, admeasuring 8.17 acres located at Avinashi village, admeasuring 8.50 acres located at Mudhalipalayam area in Neelambur village and admeasuring 10.62 acres located at Kaikattipudur in Avinashi on *pari passu* basis • personal guarantees provided by the Promoters for the entire working capital facility
		Term loan (Letter dated April 9, 2008, Articles of Agreement dated May 13, 2008 and Letter for Restructuring of existing Term Loans dated June 30, 2009)	82.22	11.28	2% below prime term lending rate subject to a minimum of 11.25% p.a.	Repayment in 28 quarterly instalments commencing from June 2011	The facility is secured by • first charge over the assets created out of the proceeds of this loan • first *pari passu* charge over existing fixed assets of our Company • exclusive charge on land located at SIPCOT, Perundurai

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
		Term loan (Loan-cum-hypothecation agreement dated February 5, 2007, Articles of Agreement dated February 5, 2007, Letter dated April 9, 2008 and Letter for Restructuring of existing Term Loans dated June 30, 2009)	204.10	19.81	2% below prime term lending rate subject to a minimum of 10% p.a.	Repayment in 28 quarterly instalments commencing from June 2011	The facility is secured by • first charge over the assets created out of the proceeds of this loan • first *pari passu* charge over existing fixed assets of our Company • exclusive charge on land located at SIPCOT, Perundurai
		Term loan for the processing division, purchase of compacting machine, coal crushers and boiler fluidized bed conversion (Sanction communication letter dated April 10, 2015 and Articles of Agreement dated December 19, 2014)	35.00	18.87	13.40% p.a. floating rate	Repayment in 20 quarterly instalments with moratorium period of six months from the date of first disbursement	The facility is secured by • first charge over the fixed assets created out of the proceeds of this loan • first *pari passu* charge over existing fixed assets of our Company
		Buyers credit – rollover of letter of credit		14.67	0.5593%	December 23, 2016	

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
		Letter of credit for purchase of machinery against the term loan of ₹35.00 million (Sanction communication letter dated April 10, 2015 and Agreement for Letter of Credit dated April 29, 2015)	15.00			Repayable out of the term loan on bill maturity date	This facility is secured by • goods covered under the letter of credit • first *pari passu* charge over entire current assets of our Company
		Facility 1 - Export packing credit (EPC)/packing credit in foreign currency (PCFC) (Sanction communication letter dated April 10, 2015)	650.00	465.40 376.37 [2] (USD 5.54) - [2] (GBP 0.00) 50.11 [2] (Euro 0.67)	Base rate + 2% margin p.a. (for EPC) Six months LIBOR + 200 basis points (for PCFC) Six months LIBOR + 200 basis points (for PCFC) Six months LIBOR + 200 basis points (for PCFC)	Repayment in 12 months or on demand	The facility is secured by • first *pari passu* charge over entire current assets of our Company • demand promissory note for ₹650.00 million
		Non letter of credit bills discounting limit (this limit is currently being used with Facility 1 (EPC/PCFC) as interchangeability is permitted in accordance with sanction communication letter dated November 26, 2015) (Sanction communication letter dated April 10, 2015)	300.00		Base rate + 2% margin p.a.	Tenor as per the bills subject to maximum 105 days	This facility is secured by • documents against acceptance bills and documents against payments bills drawn under orders and documents of title to goods • first *pari passu* charge over entire current assets of our Company

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
		Facility 2 - Stand by line of credit – export packing credit (Sanction communication letter dated April 10, 2015)	50.00	50.38	Base rate + 3% margin p.a.	Tenor is maximum three months at any one instance There will be no restriction as to the number of times this facility can be availed in a year There shall be a gap of 15 days from the closure of this facility and availing of a fresh one	The facility is secured by • first *pari passu* charge over entire current assets of our Company • demand promissory note for ₹50.00 million
		Facility 3 - Inland/foreign letters of credit limit at the existing limit at 10% margin (Sanction communication letter dated April 10, 2015)	220.00	212.84	-	Tenor of maximum 90 days	This facility is secured by • goods covered under the letter of credit • first *pari passu* charge over entire current assets of our Company
		Facility 4 - Letter of credit bill discounting (Sanction communication letter dated December 21, 2015)	100.00	64.11	-	Tenor of maximum 90 days	This facility is secured by • goods covered under the bills discounted under the letter of credit
		Buyers credit – rollover of letter of credit	-	10.69	0.8979% p.a.	January 6, 2017	Secured against three fixed deposits with State Bank of Mysore for an aggregate amount ₹15 million
		Bank guarantee limit for inland/foreign bank guarantee (Sanction communication letter dated April 10, 2015)	10.00	4.39	-	-	This facility is secured by • omnibus counter guarantee • first *pari passu* charge over entire current assets of our Company
		Forward contract limit (Sanction communication letter dated April 10, 2015, Order to book	3,075	1,463.58	-	-	

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
		forward cover dated June 30, 2015, and February 20, 2015)					
		Corporate Loan[3] (Sanction communication letter dated November 26, 2015 and agreement of loan dated December 17, 2015)	350.00	350.00[4]	Base rate + 3.85% p.a.	Tenor is 30 months Repayment in eight equal quarterly instalments commencing from August 1, 2016	The facility is secured by • first exclusive charge on 4,375,000 Equity Shares held by Mr. P. Sundararajan (Promoter) • mortgage of land and factory situated at Palankarai village to the extent of 4.48 acres • mortgage of lease land and factory situated at SIPCOT, Perundurai to the extent of 2.98 acres
		Term loan for purchase of knitting machines for converting yarn into fabric (Sanction communication letter dated November 26, 2015 and agreement of loan dated December 17, 2015) Capex inland/foreign letter of credit/buyers credit – sub-limit within the term loan of ₹14.70 million (Sanction communication letter dated November 26, 2015)	14.70	13.32	Base rate + 3.35% p.a.	Tenor is 36 months Repayment in ten equal quarterly instalments commencing after a moratorium of six months from the date of disbursement	The facility is secured by • exclusive charge over the fixed assets purchased from the term loan
7.	Tamil Nadu Industrial Investment Corporation Limited	Term loan for the purchase and erection of plant and machinery and software (Sanction letter dated July 27, 2011)	200.00	21.94	14.25% p.a. with reset clause at the beginning of every financial year	Repayment in 60 monthly instalments commencing from September 1, 2012 after a moratorium of 12 months from the date of first drawal/disbursement of the loan	The facility is secured by • plant and machinery owned by our Company • equitable mortgage of personal properties owned by Mr. P. Sundararajan (Promoter) located at Coimbatore and Salem • personal guarantees by all the Promoters of our Company

S. No.	Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
8.	Kotak Mahindra Bank Limited	Light Commercial Vehicle Loan (Sanction letter dated January 31, 2015)	1.36	0.87	10.64%	Repayment in 47 monthly instalments commencing from February 1, 2015	The facility is secured by • hypothecation of the vehicle – Toyota Innova • personal guarantee provided by Mr. P. Sundararajan (Promoter)
		Light Commercial Vehicle Loan (Sanction letter dated December 25, 2014)	0.67	0.42	11.16%	Repayment in 47 monthly instalments commencing from December 20, 2014	The facility is secured by • hypothecation of the vehicle – Mahindra and Mahindra Bolero • personal guarantee provided by Mr. P. Sundararajan (Promoter)
		Commercial Vehicle Loan (Sanction letter dated December 25, 2014)	1.78	1.11	10.65%	Repayment in 47 monthly instalments commencing from December 20, 2014	The facility is secured by • hypothecation of the vehicle – Ashok Leyland Viking commercial vehicle (bus) • personal guarantee provided by Mr. P. Sundararajan (Promoter)
		Car Loan (Sanction letter dated September 4, 2014)	3.91	2.79	9.66%	Repayment in 60 monthly instalments commencing from September 10, 2014	The facility is secured by • hypothecation of the vehicle – Mercedes Benz • personal guarantee provided by Mr. P. Sundararajan (Promoter)

(1) Pursuant to the Slump Sale Agreement, Poornam has transferred the term loan availed by it from Muthoot Fincorp Limited to our Company with effect from August 1, 2015.

(2) The facility was availed in foreign currency and the following exchange ratio has been applied (i) 1 USD = ₹66.33; (ii) 1 GBP = ₹95.09; and (iii) 1 Euro = ₹75.10.

(3) This loan was availed from the State Bank of Mysore to takeover the term loan of ₹350.00 million that was previously availed by our Company from Muthoot Fincorp Limited which has now been repaid and closed. Muthoot Fincorp Limited has in a letter dated December 23, 2015 confirmed release of its lien over the Equity Shares owned by our Promoter, Mr. P. Sundararajan that were pledged with Muthoot Fincorp Limited as security for such loan. The necessary filings with the Registrar of Companies for the release of such lien have been completed.

(4) As of March 31, 2016, ₹4.01 million is the interest accrued and due but not paid. This loan was availed from the State Bank of Mysore to takeover the term loan of ₹350.00 million that was previously availed by our Company from Muthoot Fincorp Limited which has now been repaid and closed.

The financing arrangements entered into by our Company include various restrictive conditions and covenants restricting certain corporate actions. During the currency of these financing arrangements, our Company is either required to take the prior approval of the lender before undertaking certain actions or notify the lender subsequently. For instance, our Company is required to obtain the prior written consent of certain lenders for, *inter alia*, the following:

- To make any amendments in the Memorandum or Articles;
- To effect any change in capital structure, redeem, purchase, buy-back, defease, retire, return or repay any of our shares or share capital or resolve to do so (except that our Company has the right to convert CCPS into Equity Shares);
- To enter into or implement any scheme for merger, amalgamation, compromise, demerger, reconstruction, reorganization, consolidation or other similar purpose;
- To effect any change in our ownership or control or constitution or shareholding or the management or majority of directors or partners or the managing director of our Company;
- To change the shareholding of the Promoters below a certain specific percentage in our Company;
- To avail further debt or undertake guarantee obligations on behalf of any third party;
- To declare any dividend, distribute profits after deduction of taxes, prepay loans from related parties or make certain other restricted payments;
- To transfer or create or allow to be created in any manner any charge, lien, hypothecation, mortgage, pledge or other encumbrance whatsoever on any of the properties, assets, actionable claims, etc., which constitute security to the bank for the loan, or transfer or create or allow to be created any security interest in any property or assets acquired in the future in favor of any person other than the bank;
- To undertake any new project, investment, acquisition of assets under lease or enter into borrowing arrangements;
- To approach the capital markets for investment and/or mobilizing additional resources in the form of debt or equity;
- To divert a certain percentage of the Offer proceeds towards repayment of the existing term loans/credit facilities;
- To repay monies brought in by the Promoters, partners, Directors, Shareholders, their relatives and friends in the business of our Company by way of deposits/loans/share application money;
- To make any investments by way of loans, any class of shares or debentures, partnership interest or other interest;
- To sell, assign or mortgage any fixed assets or equity interest charged in favor of the lenders;
- To set-up or permit any company to become a subsidiary or joint venture company;
- To withdraw from business any existing unsecured loans from promoters/associates;
- To undertake any capital expenditure which is not in the ordinary course of business;
- To pay any consideration to any person for furnishing guarantees, indemnities or undertaking any other liability in connection with any indebtedness incurred or obligation undertaken for or by our Company;
- To permit any disposal/transfer of our Company’s share capital by any person specified by the lenders;
- To enter into profit/income sharing arrangements with any other person; and
- To enter into contracts or arrangements whereby the business or operations of our Company are managed by some other person.

In addition, upon the occurrence of certain events or otherwise, certain lenders to our Company have the right to:

- upon the occurrence of an event of default, convert the whole or part of the outstanding amount of the facility into fully paid-up Equity Shares of our Company at a conversion price to be determined in accordance with applicable laws;
- convert the debt into equity, at a time appropriated by the bank based on a mutually acceptable formula;
- appoint nominee Directors;
- review/revoke the sanction of the loan and in case the loan has already been disbursed, to withhold disbursement of the balance loan amount and to recall the loan already advanced in certain circumstances;
- impose penal/default interest;

- accelerate the facility and declare all amounts payable by our Company in respect of the facility to be due and payable immediately or otherwise payable on demand;
- enforce the security;
- review the management set-up or organization of our Company; and
- apply any restrictive conditions as imposed on our Company by another institution as are considered appropriate by such lender in relation to the assistance availed from it by our Company.

The financing arrangements entered into by our Company also have cross-default provisions with respect to other facilities availed of by our Company and provisions prescribing debt to equity and other financial ratios. Further, certain financing arrangements of our Company also entitle the lenders to cancel the undrawn amount of the facility in certain circumstances, including downgrading of the credit rating of our Company by a credit rating agency or adverse remark, qualified opinion or its equivalent by the auditors of our Company.

Details of Unsecured Borrowings of our Company

Our Company, on a standalone basis, has unsecured borrowings of ₹240.38 million as of August 4, 2016, as set forth below.

S. No.	Name of the Lender	Type of Lender	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule
1.	Mr. P. Ashokaraman	Promoter Group	2.50	12% from April 1, 2017	Upto Fiscal Year 2017: Nil Fiscal Year 2018: ₹2.50 million
2.	Mr. P. Sundararajan	Promoter	150.00	12% from April 1, 2017	Upto Fiscal Year 2017: Nil Fiscal Year 2018: ₹50.00 million Fiscal Year 2019: ₹50.00 million Fiscal Year 2020: ₹50.00 million
3.	Mr. P. Sundararajan	Promoter	43.50	-	Payable on demand
4.	Ms. S. Latha	Promoter	30.00	12% from April 1, 2017	Upto Fiscal Year 2017: Nil Fiscal Year 2018: ₹10.00 million Fiscal Year 2019: ₹10.00 million Fiscal Year 2020: ₹10.00 million
5.	Ms. S. Latha	Promoter	4.14	-	Payable on demand
6.	Mr. S. Chenduran	Promoter Group	10.00	12% from April 1, 2017	Upto Fiscal Year 2018: Nil Fiscal Year 2019: ₹5.00 million Fiscal Year 2020: ₹5.00 million
7.	Mr. S. Chenduran	Promoter Group	0.24	-	Payable on demand

Details of Financing Arrangements entered into by our Company after March 31, 2016

Our Company has not entered into any new financing arrangements after March 31, 2016 except as stated below:

Name of the Lender	Nature and purpose of facility	Amount sanctioned (₹ in million)	Amount outstanding as of August 4, 2016 (₹ in million)	Interest Rate	Tenor/Repayment Schedule	Security
Kotak Mahindra Bank Limited	Light Commercial Vehicle Loan (Sanction letter dated May 28, 2016)	0.75	0.71	9.83%	Repayment in 48 monthly instalments commencing from May 10, 2016	The facility is secured by • hypothecation of the vehicle – Mahindra and Mahindra Bolero • personal guarantee provided by Mr. P. Sundararajan (Promoter)
State Bank of Travancore	Working capital facilities - Export packing credit (EPC) and packing credit in foreign currency (PCFC) (Sanction letter dated May 13, 2016 and loan agreement dated June 22, 2016)	200.00	202.00	2.10% above marginal cost of funds based lending rate (MCLR)	Repayment on demand	The facility is secured by • first *pari passu* charge on the entire current assets of the Company • second *pari passu* charge on the entire fixed assets of the Company (existing and future) • *pari passu* charge on the landed properties of the Promoters leased to the Company • personal guarantees provided by the Promoters
	Forward contract limit (Sanction letter dated May 13, 2016)	600.00	-			
State Bank of Mysore	Letter of Credit for capital expenditure to import machienry (Sanction letter dated July 13, 2016)	80.00	-		Tenor of maximum 180 days	This facility is secured by • exclusive charge on the assets purchased under the letter of credit • second *pari passu* charge over current assets of our Company • personal guarantees provided by the Promoters

Details of Secured Borrowings of the Subsidiaries

A. *CPPL*

CPPL has not availed any credit facilities from banks and other financial institutions.

B. *SPUK*

SPUK has not availed any credit facilities from banks and other financial institutions.

Details of Unsecured Borrowings of the Subsidiaries

CPPL has unsecured borrowings of ₹35.11 million as of August 4, 2016, as set forth below.

S. No.	Name of the Lender	Type of Lender	Amount outstanding as of August 4, 2016 (₹ in million)
1.	Mr. P. Sundararajan	Promoter	30.04
2.	S.P. Life Styles	Promoter Group company	4.87
3.	Mr. P. Senthil	Others	0.20

SPUK has unsecured borrowings of GBP100,000 as of August 4, 2016, as set forth below.

S. No.	Name of the Lender	Type of Lender	Amount outstanding as of August 4, 2016
1.	S.P. Apparels Limited	Holding company	GBP100,000

Details of Financing Arrangements entered into by the Subsidiaries after March 31, 2016

None of the Subsidiaries has entered into any financing arrangements after March 31, 2016.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) direct and indirect tax claims; and (iv) other pending litigation, involving our Company, the Subsidiaries, the Promoters, the Group Entities and the Directors or any other person, the outcome of which could have material adverse effect on the position of our Company.

Further, except as stated below, there are no (i) inquiries, inspections or investigations, initiated or conducted against our Company or our Subsidiaries, under the Companies Act, 2013 or the Companies Act, 1956, in the last five years; (ii) prosecutions filed (whether pending or not), fines imposed or compounding of offences for our Company or the Subsidiaries, in the last five years immediately preceding this Prospectus; (iii) material frauds committed against our Company in the last five years immediately preceding this Prospectus; and (iv) defaults and non-payment of statutory dues etc. by our Company.

Litigation involving our Company

Criminal proceedings initiated against our Company

- Ms. Leelavathi, Ms. A. Dhanalakshmi and Ms. S. Latha filed an application (MCOP No. 178 of 2013) dated September 23, 2013 before the Motor Accident Claims Tribunal, Gobichettipalayam against SBI General Insurance Company Limited and our Company, alleging that the death of Mr. M. Mani was caused as a result of his employment as a bus driver with our Company and on a vehicle owned by our Company and therefore claimed a compensation of ₹0.8 million under Section 166 of the Motor Vehicles Act. Our Company has filed a counter statement before the Subordinate Judge of Gobichettipalayam. The matter is currently pending and the next date of hearing is September 15, 2016.

- Ms. Ramya, Ms. Kalpana, Mr. Balachander, Ms. Manimehalai, Ms. Nalini, Ms. Bhuvaneshwari, Ms. Rukkumani, Mr. Rabiyathal Misiriya, Ms. Merry, Ms. Saroja, Mr. Sundaram, Ms. Saranya, Mr. Shanmugavalli, Ms. Seetha, Ms. Nandini and Mr. Manivel have filed separate applications before the Motor Accidents Claims Tribunal and in the Court of the Principal District and Sessions Judge, Tirupur against TATA AIG General Insurance Company Limited and our Company, alleging that the injuries sustained by them were caused by our Company's driver in the course of employment and by a vehicle owned by our Company, thereby claiming compensation aggregating to ₹21.90 million under Section 166 of the Motor Vehicles Act. The matter is currently pending and the next date of hearing is August 12, 2016.

Criminal proceedings initiated by our Company

- Our Company has filed a criminal complaint dated July 19, 2010 before the Superintendent of Police, Tirupur District, against Mr. Sampath, the former deputy manager in the logistics department of our Company for forgery and embezzlement of approximately ₹1.3 million. The above complaint was filed pursuant to a notice dated August 7, 2009 issued on behalf of our Company to Mr. Sampath. The Superintendent of Police, Tirupur District, has registered an FIR dated July 23, 2010 (No. 15/2010) in this matter. The matter is currently pending before the Judicial Magistrate Court, Avinashi and the next date of hearing is October 17, 2016.

- Our Company has filed a criminal complaint dated August 24, 2010 before the Superintendent of Police, Tirupur District, against Mr. Yuvaraj, a former executive in the garment purchase department of our Company for fraud and embezzlement of approximately ₹10 million. The Superintendent of Police, Tirupur District, has registered an FIR dated November 2, 2010 (No. 25/2010) in this matter. The matter is currently pending before the Judicial Magistrate Court, Avinashi and the next date of hearing is October 17, 2016.

- Our Company has filed a criminal complaint before the Court of the Judicial Magistrate No. 6 of Coimbatore, against Mrs. J. Rajamani under Sections 138 and 142 of the Negotiable Instruments Act, 1881, as amended. The matter relates to a post-dated cheque of ₹0.7 million issued by Mrs. J. Rajamani in favor of our Company which was subsequently dishonored, pursuant to which our Company issued a notice to Mrs. J. Rajamani within 30 days of receipt of information from the relevant bank that the cheque was unpaid. Upon failure of Mrs. J. Rajamani to repay the amount due to our Company, our Company filed a complaint before the relevant authority. The matter is currently pending before the Judicial Magistrate Court, Avinashi and the next date of hearing is October 14, 2016.

Direct Tax proceedings

- There are two pending direct tax proceeding involving our Company, which involves an aggregate amount of ₹34.09 million.

Indirect Tax proceedings

- There are eight indirect tax proceedings involving our Company pending before different fora, which involve an aggregate amount of ₹5.02 million. In addition, one indirect tax proceeding involving our Company is in the process of being settled by our Company

Other litigation initiated by our Company

Given the nature and extent of operations of our Company and our Subsidiaries, our Board has considered the outstanding civil litigation involving our Company or any of our Subsidiaries, Directors, Promoters and Group Entities which exceeds ₹20.00 million as being material for our Company. Further, in the event of any civil litigation wherein a monetary liability is not quantifiable, our Board has considered the outstanding litigation that has a bearing on the operations or performance of our Company or any of our Subsidiaries as being material to our Company. Accordingly, in addition to the above, we have disclosed the following material outstanding litigation.

- Our Company filed a suit (O.S. No. 106/2012) against Axis Bank Limited before the District Judge of Coimbatore dated February 24, 2012 seeking a declaration that certain derivative contracts executed by our Company with Axis Bank Limited are *void ab initio* thereby making them unenforceable and not binding on our Company. Axis Bank Limited has filed an interim application seeking rejection of our suit. The matter is currently pending.

- Our Company has filed several writ petitions (W.P. Nos. 346 to 361/2015) before the High Court of Madras dated January 5, 2015 seeking an order of interim stay against all proceedings against our Company pursuant to Government Order G.O. (2D) No. 59 Labour and Employment (J1) Department dated October 10, 2014 that revises the minimum wages payable by garments manufacturing industries. The High Court of Madras pursuant to an order dated January 8, 2015 has granted the stay of such government order. The matter is currently pending before a division bench of the High Court of Madras.

- The Tamil Nadu Spinning Mills Association (on behalf of its members including our Company) filed a cross appeal in C.A. No. 1090 – 1099 of 2011 before the Supreme Court of India against the appeal filed by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) in relation to certain orders levying penalty on the purchase of power by third parties during peak hours. Our Company has paid an amount of ₹6.60 million as peak hour penalty, under protest. The matter is currently pending before the Supreme Court of India.

- Our Company filed a writ petition (W.P. No. 12483/2016) before the High Court of Madras seeking an order of interim stay against the implementation of the Payment of Bonus (Amendment) Act, 2015 (notified as Act No. 6 of 2016). The High Court of Madras pursuant to an order dated April 4, 2016 has granted the stay of the Payment of Bonus (Amendment) Act, 2015 insofar as it provides for its implementation with retrospective effect with regard to payment of bonus. The matter is currently pending.

Litigation involving the Subsidiaries

Crocodile Products Private Limited

Civil Proceedings initiated against CPPL

- La Chemise Lacoste and Sports and Leisure Apparel Limited have filed a suit for injunction and damages for infringement of copyright and registered trademarks, passing off and unfair competition (Suit No. 894 of 2001 before the High Court of Delhi) against CIPL and CPPL alleging that use of a particular mark/device by CIPL and CPPL in India amounts to infringement of a trademark registered in the name, and infringement of copyright in that trademark owned by La Chemise Lacoste in India. The suit has been filed against CIPL and CPPL in relation to a particular mark/device among the ‘Crocodile’ trademarks, which is not presently being used in India by CPPL and is alleged to be deceptively similar to the trademark of La Chemise Lacoste in India. CIPL and CPPL have denied the allegations and prayed for a dismissal of this suit. The matter is currently pending before the High Court of Delhi.

Direct Tax proceedings

- There are three direct tax proceedings involving Crocodile Products Private Limited pending before different fora, which involve an aggregate amount of ₹0.94 million.

Indirect Tax proceedings

- There are no pending indirect tax proceedings involving Crocodile Products Private Limited.

S.P. Apparels (UK) (P) Limited

- There are no pending direct tax or indirect tax proceedings involving S.P. Apparels (UK) (P) Limited.

Litigation involving the Directors

Mr. P. Sundararajan

Direct Tax proceedings

- There are two direct tax proceedings involving Mr. P. Sundararajan pending before different fora, which involve an aggregate amount of ₹3.91 million.

Indirect Tax proceedings

- There is one pending indirect tax proceedings involving Mr. P. Sundararajan, which involves an aggregate amount of ₹2.50 million.

Other litigation

- Mr. P. Sundararajan has filed a suit before the District Judge of Tirupur against Mr. P. Balasubramaniam dated March 14, 2013 for recovery of ₹9.6 million pursuant to the cancellation of a sale agreement entered into by Mr. P. Sundararajan with Mr. P. Balasubramaniam for the purchase of land. The matter is currently pending.

Mr. A.S. Anandkumar

Criminal proceedings

- Oswal Spinning and Weaving Mills Limited has filed a criminal complaint against Value Vision Consultants Private Limited and A.S. Anandkumar before the Court of Sessions Judge, Ludhiana dated July 1, 2013 for criminal breach of trust and cheating. The matter is currently pending and the next date of hearing is August 17, 2016.

Litigation involving the Promoters

Mr. P. Sundararajan

- For litigation involving Mr. P. Sundararajan, see the section "*Outstanding Litigation and Material Developments – Litigation involving the Directors*" on page 326.

Mrs. S. Latha

- There are no legal proceedings involving Mrs. S. Latha.

Notices received by our Company and Subsidiaries

There are no notices received by our Company.

Notices from statutory or regulatory authorities

There are no notices from statutory or regulatory authorities in relation to our Company or its Subsidiaries.

Outstanding Dues to Creditors

As of March 31, 2016, our Company (on a standalone basis) had an aggregate amount of ₹1,005.47 million due to 1,012 creditors.

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution of the Board dated December 17, 2015 considers the dues owed by our Company to the small scale undertakings and other creditors exceeding ₹50.00 million to be material dues for our Company.

For further details of the outstanding dues to creditors as of March 31, 2016, see the website of our Company at http://www.spapparels.com/investors/investor-services/creditors.php.

Anyone placing reliance on any other source of information would be doing so at their own risk.

Material developments since March 31, 2016

Other than as disclosed in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after March 31, 2016*" on page 308, in the opinion of the Board, there has not arisen, since the date of the last Restated Financial Statements included in this Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay its liabilities over the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary statutory approvals for all of its existing manufacturing facilities. Further, on the basis of the list of material approvals provided below, our Company can undertake the Offer and our Company and the Subsidiaries can undertake each of their respective current business activities and other than as stated below, no further approvals from any regulatory authority are required to undertake the Offer or continue such business activities. Unless otherwise stated, these approvals are valid as of the date of this Prospectus.

I. Approvals in relation to the Offer

A. *Corporate Approvals*

1. The Board has, pursuant to a resolution adopted at its meeting held on December 17, 2015 authorized the Offer, subject to approval by the Shareholders of our Company under the Companies Act.

2. The Shareholders have, pursuant to a resolution dated December 23, 2015 under the Companies Act, authorized the Offer.

3. The Selling Shareholder has, pursuant to resolutions dated July 7, 2015 and June 9, 2016, authorized the offer and sale of up to 900,000 Equity Shares in the Offer for Sale.

B. Approvals from Stock Exchanges

1. In-principle approval dated January 8, 2016 from the BSE.

2. In-principle approval dated January 29, 2016 from the NSE.

II. Approvals in relation to our Business

A. Material licenses and approvals obtained by our Company

1. Certificate of incorporation dated November 18, 2005 issued to our Company by the RoC.

2. Our Corporate Identity Number is U18101TZ2005PLC012295.

3. Our Permanent Account Number is AAJCS4031P, Tax Deduction Account Number is CMBS08509E and Service Tax Registration Number is ST/075/2006/GTA/TPR.

4. Our Company has also obtained other registrations under tax laws, including, but not limited to, the following:

    - CST Number with effect from November 22, 2005 issued under the Central Sales Tax Act, 1956: 854386.
    - Tax Payer’s Identification Number (TIN) with effect from January 1, 2007 issued under the Tamil Nadu Value Added Tax Act, 2006: 33132083095.
    - Tax Payer’s Identification Number (TIN) with effect from January 11, 2007 issued under the Karnataka Value Added Tax Act, 2003: 29870738625.
    - Tax Payer’s Identification Number (TIN) with effect from January 23, 2010 issued under the Maharashtra Value Added Tax Act, 2002: 27790748305V.
    - Tax Payer’s Identification Number (TIN) with effect from February 1, 2009 issued under the Kerala Value Added Tax Act, 2003: 32071747533.
    - Tax Payer’s Identification Number (TIN) with effect from May 8, 2014 issued under the Andhra Pradesh Value Added Tax Act, 2005: 36098111978.

- Tax Payer's Identification Number (TIN) with effect from September 10, 2012 issued under the Rajasthan Value Added Tax Act, 2003: 08234055317.
- Tax Payer's Identification Number (TIN) with effect from February 27, 2012 issued under the Jharkhand Value Added Tax Act, 2005: 20910407371.

5. We have obtained registrations under applicable labor laws including, but not limited to the Contract Labour (Regulation and Abolition) Act, 1970, as a principal employer, the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended and the Employees' State Insurance Act, 1948, as amended, for all of our operating manufacturing facilities.

6. Our Company has obtained an importer-exporter code (0489019498) dated August 14, 2008 (with effect from December 31, 1991) issued by the Ministry of Commerce and Industry. This code is subject to the condition that in case of any change in the name/address or constitution of the holder of the importer-exporter code, the import-exporter code holder will cease to be eligible to import or export against the importer-exporter code after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the importer-exporter code by the concerned licensing authority.

7. Our Company has obtained a registration-cum-membership certificate (No. AEPC/REG/SM/MAF/100520) with date of registration as November 21, 1996 issued by the Apparel Export Promotion Council, Ministry of Textiles, Government of India valid until March 31, 2017. This registration is required for our Company to obtain benefits under the EPCG Scheme. For further information on the EPCG Scheme, see the section "*Regulations and Policies – Textile Sector Regulations and Policies*" on page 140.

8. We have applied for registration under applicable shops and establishments laws for all of our operating manufacturing facilities under the Tamil Nadu Shops and Establishments Act, 1947, as amended and all of our retail stores in the relevant states in India where we operate.

9. Our Company has obtained the following material approvals in relation to its various operational manufacturing facilities:

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
I.	*Approvals for factory located at SF No. 245/2, Avinashi Town, Avinashi*			
1.	Factory License Number TP CB 7500 issued under the Factories Act, 1948	October 30, 2015	Inspector of Factories, Division I, Coimbatore	December 31, 2016
2.	Trade License	February 23, 2016	Municipality, Avinashi	2016 to 2017
3.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	November 6, 2015	Tamil Nadu Pollution Control Board	March 31, 2017
4.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	November 6, 2015	Tamil Nadu Pollution Control Board	March 31, 2017
5.	Authorization for operation of a facility for transport and storage of hazardous wastes under the Hazardous Waste (Management, Handling and Transboundary Movement Rules), 2008	October 1, 2015	Environmental Engineer (HWM), Tamil Nadu Pollution Control Board	October 1, 2020
6.	Fire Service License Number 137/2016 under the Tamil Nadu Fire Service Act, 1985	January 28, 2016	Tamil Nadu Fire and Rescue Service, Tirupur	January 27, 2017
7.	Registration Number	April 4, 2016	Department of Electrical	April 3, 2019

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
	005/HT/EI/MTP/13-14 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003		Inspector and Electricity Tax, Government of Tamil Nadu	
II.	*Approvals for sewing factory located at SF 229/1 and 230/3, Kaikattipudur Village, Avinashi, Tirupur*			
8.	Factory License Number TP 11539 issued under the Factories Act, 1948	December 12, 2015	Deputy Chief Inspector of Factories, Tirupur	December 31, 2016
9.	Trade License	February 23, 2016	Avinashi Town Panchayat	2016 to 2017
10.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	April 12, 2016	Tamil Nadu Pollution Control Board	March 31, 2018
11.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	April 12, 2016	Tamil Nadu Pollution Control Board	March 31, 2018
12.	Authorization for operation of a facility for transport and storage of hazardous wastes under the Hazardous Waste (Management, Handling and Transboundary Movement Rules), 2008	August 14, 2015	Environmental Engineer (HWM), Tamil Nadu Pollution Control Board	August 13, 2020
13.	Fire Service License Number 92/2015 under the Tamil Nadu Fire Service Act, 1985	November 19, 2015	Tamil Nadu Fire and Rescue Service, Tirupur	November 18, 2016
14.	Approval for installation of generators under the Indian Electricity Rules, 1956	October 4, 2006	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
15.	Registration Number 13/EI/MTP/HT/2008 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003	November 7, 2014	Department of Electrical Inspector and Electricity Tax, Government of Tamil Nadu	November 6, 2017
16.	License for importation and storage of petroleum under the Petroleum Act, 1934	January 15, 2013	Controller of Explosives, Chennai, Petroleum and Explosives Safety Organization	December 31, 2022
17.	Boiler License	March 3, 2016	Deputy Director of Boilers, Coimbatore Circle, Coimbatore	March 2, 2017
III.	*Approvals for sewing factory located at Pallangarai Village, Avinashi, Coimbatore*			
18.	Factory License Number TP CB 14902 issued under the Factories Act, 1948	March 29, 2016	Chief Inspector of Factories I Division, Coimbatore	December 31, 2016
19.	Trade License	March 28, 2016	Pallangarai Panchayat, Avinashi Union	2016 to 2017
20.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	November 6, 2015	Tamil Nadu Pollution Control Board	December 31, 2017
21.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	November 6, 2015	Tamil Nadu Pollution Control Board	December 31, 2017
22.	Fire Service License Number 1356/2015 under the Tamil Nadu Fire Service Act, 1985	August 25, 2015	Tamil Nadu Fire and Rescue Service, Tirupur	August 24, 2016
23.	Registration Number 901/EI/MTP/R47A/SC 2009 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003	August 31, 2009	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
24.	Pressure Vessel Certificate	May 10, 2016	Industrial Safety and Health, Tirupur	November 9, 2016
IV.	*Approvals for sewing factory located at Avinashi Main Road, Neelambur, Coimbatore*			

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
25.	Factory License Number TP CB 9234 issued under the Factories Act, 1948	December 2, 2015	Joint Director of Industry Safety and Health II Division, Coimbatore	December 31, 2016
26.	Trade License	February 11, 2015	Panchayat Secretary, Neelambur Village Panchayat, Coimbatore	2016 to 2017
27.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	April 12, 2016	Tamil Nadu Pollution Control Board	March 31, 2017
28.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	April 12, 2016	Tamil Nadu Pollution Control Board	March 31, 2017
29.	Fire Service License Number 380/2015 under the Tamil Nadu Fire Service Act, 1985	April 7, 2016	Tamil Nadu Fire and Rescue Service, Coimbatore	April 16, 2017
30.	Registration Number 37/HT/EI/TPR/10-11 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003	April 20, 2016	Electrical Inspectorate, Government of Tamil Nadu	April 19, 2019
V.	*Approvals for factory located at Coimbatore Main Road, Thekkalur, Avinashi Taluk*			
31.	Factory License Number TP CB 10097 issued under the Factories Act, 1948	November 30, 2015	Inspector of Factories, Coimbatore	December 31, 2016
32.	Authorization for operation of a facility for collection, reception, treatment, storage and transport of hazardous wastes under the Hazardous Waste (Management, Handling and Transboundary Movement Rules), 2008	September 29, 2015	Environmental Engineer (HWM), Tamil Nadu Pollution Control Board	September 28, 2020
33.	Trade License	February 22, 2016	Thekkalur Panchayat, Tirupur	2016 to 2017
34.	Fire Service License Number 339/2016 under the Tamil Nadu Fire Service Act, 1985	February 22, 2016	Tamil Nadu Fire and Rescue Service, Tirupur	February 21, 2017
35.	Registration Number 012/EI/MTP/Gen/HT/09 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003	July 9, 2009	Department of Electrical Inspector and Electricity Tax, Government of Tamil Nadu	July 8, 2018
36.	Boiler License	March 22, 2016	Deputy Director of Boilers, Coimbatore Circle, Coimbatore	September 21, 2016
VI.	*Approvals for sewing factory located at Samichettipalayam, Jothipuram, Coimbatore*			
37.	Factory License Number TP 15038 issued under the Factories Act, 1948	January 22, 2016	Deputy Chief Inspector of Factories, Tirupur	December 31, 2016
38.	Trade License	March 14, 2016	Gudalore Municipality	2016 to 2017
39.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	March 30, 2011	Tamil Nadu Pollution Control Board	September 20, 2016
40.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	March 30, 2011	Tamil Nadu Pollution Control Board	September 20, 2016
41.	Authorization for operation of a facility for collection, storage and disposal of hazardous wastes under the Hazardous Waste (Management, Handling and Transboundary Movement Rules), 2008	February 8, 2016	District Environmental Engineer, Tamil Nadu Pollution Control Board	February 7, 2021

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
42.	Fire Service License Number 248/2016 under the Tamil Nadu Fire Service Act, 1985	March 15, 2016	Tamil Nadu Fire and Rescue Service, Coimbatore	March 14, 2017
43.	Registration Number 275/CBE(Cen)/HT/09 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003	September 9, 2015	Department of Electrical Inspector and Electricity Tax, Government of Tamil Nadu	September 14, 2018
44.	Pressure Vessel Certificate	March 23, 2016	Industrial Safety and Health, Coimbatore	September 22, 2016
VII.	*Approvals for factory located at Gowrah Mahal, Atthani Main Road, Sathiyamangalam*			
45.	Factory License Number ER 2766 issued under the Factories Act, 1948	December 30, 2015	Inspector of Factories, Erode	December 31, 2016
46.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	January 12, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
47.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	January 12, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
48.	Approval for installation of generators under the Indian Electricity Rules, 1956	September 21, 2011	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
49.	Registration Number 2080/EI/Erode/R32/2015 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	January 8, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
VIII.	*Approvals for factory located at SF 93/2, Malayadipudur, Sathiyamangalam*			
50.	Factory License Number ER 2869 issued under the Factories Act, 1948	December 30, 2015	Inspector of Factories, Erode	December 31, 2016
51.	Trade License	January 22, 2016	Kumarapalayam Panchayat	January 21, 2017
52.	Fire Service License Number 998/2015 under the Tamil Nadu Service Act, 1985	October 19, 2015	Tamil Nadu Fire and Rescue Service, Erode	October 18, 2016
53.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	January 12, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
54.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	January 12, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
55.	Approval for installation of generators under the Indian Electricity Rules, 1956	June 27, 2013	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
56.	Boiler License	May 1, 2016	Director of Boilers, Erode Circle, Erode	October 31, 2016
57.	Registration Number 2077/EI/Erode/R32/2015 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	January 8, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
IX.	*Approvals for factory located at SIPCOT, Perundurai, Erode*			
58.	Factory License Number ER 2143 issued under the Factories Act, 1948	December 30, 2015	Deputy Chief Inspector of Factories, Tirupur	December 31, 2016
59.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	February 11, 2016	Tamil Nadu Pollution Control Board	December 31, 2016

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
60.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	February 11, 2016	Tamil Nadu Pollution Control Board	December 31, 2016
61.	Approval for installation of generators under the Indian Electricity Rules, 1956	December 2, 2009	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
62.	Pressure Vessel Certificate	February 25, 2016	Industrial Safety and Health, Erode	August 23, 2016
X.	*Approvals for processing division located at SIPCOT, Perundurai, Erode*			
63.	Factory License Number ER 2291 issued under the Factories Act, 1948	December 30, 2015	Inspector of Factories, Erode	December 31, 2016
64.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	April 18, 2016	Tamil Nadu Pollution Control Board	March 31, 2017
65.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	April 18, 2016	Tamil Nadu Pollution Control Board	March 31, 2017
66.	Authorization for operation of a facility for transport and storage of hazardous wastes under the Hazardous Waste (Management, Handling and Transboundary Movement Rules), 2008	May 14, 2014	Environmental Engineer (HWM), Tamil Nadu Pollution Control Board	May 13, 2019
67.	Fire Service License Number 826/2015 under the Tamil Nadu Fire Service Act, 1985	August 25, 2015	Tamil Nadu Fire and Rescue Service, Erode	August 24, 2016
68.	Registration Number 1540/2008-09 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003	February 20, 2015	Electrical Inspectorate, Government of Tamil Nadu	February 19, 2018
69.	Approval for installation of generators under the Indian Electricity Rules, 1956	July 9, 2009	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
70.	License for importation and storage of petroleum under the Petroleum Act, 1934	February 11, 2016	Controller of Explosives, Chennai, Petroleum and Explosives Safety Organization	December 31, 2018
71.	Boiler License	March 17, 2016	Senior Assistant Director of Boilers, Erode Circle, Erode	March 16, 2017
XI.	*Approvals for factory located at Cheyur Village, Avinashi*			
72.	Factory License Number TP 17968 issued under the Factories Act, 1948	December 2, 2015	Inspector of Factories, Division I, Tirupur	December 31, 2016
73.	Trade License	May 6, 2016	Cheyur, Avinashi Taluk	2016 to 2017
74.	Fire Service License Number 2239/2015 under the Tamil Nadu Fire Service Act, 1985	December 28, 2015	Tamil Nadu Fire and Rescue Service, Tirupur	December 27, 2016
75.	Registration Number 1915/EI/TPR/Reg32/2015 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	December 14, 2015	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
XII.	*Approvals for sewing factory located at Dharapuram Road, Gobichettipalayam, Erode District*			
76.	Factory License Number ER 2776 issued under the Factories Act, 1948	December 30, 2015	Inspector of Factories, Erode	December 31, 2016
77.	Trade License	February 23, 2015	Modachur Panchayat, Erode District	2016 to 2017

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
78.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	January 9, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
79.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	January 9, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
80.	Fire Service License Number 331/2015 under the Tamil Nadu Fire Service Act, 1985	April 29, 2016	Tamil Nadu Fire and Rescue Service, Erode	April 28, 2017
81.	Approval for installation of generators under the Indian Electricity Rules, 1956	September 21, 2011	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
82.	Registration Number 2079/EI/Erode/R32/2015 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	January 8, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
XIII.	*Approvals for sewing factory located at SF 52/11, 52/12, Gobichettipalayam, Erode District*			
83.	Factory License Number ER 2868 issued under the Factories Act, 1948	December 30, 2015	Inspector of Factories, Erode	December 31, 2016
84.	Trade License	February 26, 2015	Gobichettipalayam Municipality, Erode District	2016 to 2017
85.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	January 9, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
86.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	January 9, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
87.	Fire Service License Number 423/2016 under the Tamil Nadu Fire Service Act, 1985	June 17, 2016	Tamil Nadu Fire and Rescue Service, Erode	June 16, 2017
88.	Approval for installation of generators under the Indian Electricity Rules, 1956	June 27, 2013	Electrical Inspector, Erode North, Erode	Valid until cancelled
89.	Registration Number 2078/EI/Erode/R32/2015 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	January 8, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
XIV.	*Approvals for sewing factory located at Muthandipalayam Pirivu, Palladam, Tirupur*			
90.	Factory License Number TP CB 15838 issued under the Factories Act, 1948	November 27, 2015	Inspector of Factories, Division II, Coimbatore	December 31, 2016
91.	Fire Service License Number 1953/2015 under the Tamil Nadu Fire Service Act, 1985	December 22, 2015	Tamil Nadu Fire and Rescue Service, Tirupur	December 21, 2016
92.	Pressure Vessel Certificate	April 29, 2016	Industrial Safety and Health, Tirupur	October 27, 2016
93.	Registration Number 1317/EI/PLM/R32/2016 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	January 19, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
XV.	*Approvals for factory located at Varapatti, Sulthanpet Main Road, Sulthanpet, Sulur Taluk*			
94.	Factory License Number CB 16226 issued	December 30, 2015	Inspector of Factories, Coimbatore	December 31, 2016

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
	under the Factories Act, 1948			
95.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	April 28, 2014	Tamil Nadu Pollution Control Board	December 31, 2016
96.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	April 28, 2014	Tamil Nadu Pollution Control Board	December 31, 2016
97.	Fire Service License Number 1952/2015 under the Tamil Nadu Fire Service Act, 1985	December 22, 2015	Tamil Nadu Fire and Rescue Service, Tirupur	December 21, 2016
98.	Approval for installation of generators under the Indian Electricity Rules, 1956	January 10, 2013	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
99.	Pressure Vessel Certificate	March 29, 2016	Industrial Safety and Health, Tirupur	September 28, 2016
XVI. Approvals for sewing factory located at South Avinashipalayam village, Tirupur to Dharapuram Road, Tirupur (Koduvai)				
100.	Factory License Number TP 16895 issued under the Factories Act, 1948	April 12, 2016	Inspector of Factories, Tirupur	December 31, 2016
101.	Trade License	April 4, 2016	North Avinashipalayam, Koduvai, Tirupur District	2016 to 2017
102.	Approval for installation of generators under the Indian Electricity Rules, 1956	July 16, 2015	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
103.	Fire Service License Number 1938/2015 under the Tamil Nadu Fire Service Act, 1985	December 16, 2015	Tamil Nadu Fire and Rescue Service, Erode	December 14, 2016
104.	Pressure Vessel Certificate	February 16, 2016	Industrial Safety and Health, Tirupur	August 15, 2016
XVII. Approvals for factory located at Anthiyur Main Road, Vellitirupur, Patlur Village, Bhavani Taluk				
105.	Factory License Number ER 2775 issued under the Factories Act, 1948	December 30, 2015	Inspector of Factories, Coimbatore	December 31, 2016
106.	Trade License	February 23, 2016	Patlur Village, Erode District	2016 to 2017
107.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	January 8, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
108.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	January 8, 2015	Tamil Nadu Pollution Control Board	December 31, 2016
109.	Fire Service License Number 7097/A2/2014 under the Tamil Nadu Fire Service Act, 1985	August 17, 2015	Tamil Nadu Fire and Rescue Service, Erode	August 16, 2016
110.	Approval for installation of generators under the Indian Electricity Rules, 1956	September 21, 2011	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
111.	Registration Number 2081/EI/Erode/R32/2015 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	January 8, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
XVIII. Approvals for factory located at Masthipalayam, Irumbarai Village, Mettupalayam, Coimbatore (Puliyampatti)				
112.	Factory License Number CB 17447 issued under the Factories Act, 1948	December 31, 2015	Joint Director, Industrial Safety and Health, I-Division, Coimbatore.	December 31, 2016
113.	Fire Service License Number 218/2016 under the Tamil Nadu	March 9, 2015	Tamil Nadu Fire and Rescue Service,	March 8, 2017

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
	Fire Service Act, 1985		Coimbatore	
114.	Trade License	March 31, 2016	Irumbarai Village Coimbatore District	2016 to 2017
XIX. Approvals for spinning division located at Valapady, Salem				
115.	Factory License Number SL 4901 issued under the Factories Act, 1948	January 28, 2016	Inspector of Factories, Hosur	December 31, 2016
116.	Trade License	February 26, 2015	Valapady Municipality, Salem	2016 to 2017
117.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	July 3, 2015	Tamil Nadu Pollution Control Board	March 31, 2017
118.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	July 3, 2015	Tamil Nadu Pollution Control Board	March 31, 2017
119.	Fire Service License Number 10876/A1/2015 under the Tamil Nadu Fire Service Act, 1985	September 23, 2015	Tamil Nadu Fire and Rescue Service, Salem	September 21, 2016
120.	Registration Number 687/HT/2007-2008 for captive generating power plant under the Tamil Nadu Tax on Consumption or Sale of Electricity Rules, 2003	July 2, 2007	Electrical Inspector, Salem	Valid until cancelled
121.	License for importation and storage of petroleum under the Petroleum Act, 1934	November 30, 2015	Joint Chief Controller of Explosives, Vellore, Petroleum and Explosives Safety Organization	December 31, 2018
XX. Approvals for spinning division located at Bhavani-Vellitiruppur Road, Mylampadi				
122.	Fire Service License Number 1029/2015 under the Tamil Nadu Fire Service Act, 1985	October 27, 2015	Tamil Nadu Fire and Rescue Service, Erode	October 26, 2016
123.	Trade License	March 16, 2016	Mylampadi Village Panchayat Board, Bhavani Circle	2016 to 17
124.	Registration Number 488/EI/Erode/R32/2016 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	March 21, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled
125.	Pressure Vessel Certificate	May 25, 2016	Industrial Safety and Health, Erode	November 24, 2016
126.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	August 3, 2016	Tamil Nadu Pollution Control Board	March 31, 2017
127.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	August 3, 2016	Tamil Nadu Pollution Control Board	March 31, 2017
XXI. Approvals for spinning division located at Kavindapadi, Erode District				
128.	Fire Service License Number 166/2016 under the Tamil Nadu Fire Service Act, 1985	February 29, 2016	Tamil Nadu Fire and Rescue Service, Erode	February 28, 2017
129.	Trade License	March 16, 2016	Kavindapadi Village Panchayat Board, Bhavani Circle	2016 to 17
130.	Registration Number 488/EI/Erode/R32/2016 for commission of Diesel generator under the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2010	March 21, 2016	Electrical Inspectorate, Government of Tamil Nadu	Valid until cancelled

S. No.	Particulars	Date of Issue	Issuing Authority	Validity
131.	Pressure Vessel Certificate	May 27, 2016	Industrial Safety and Health, Erode	November 26, 2016
132.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	August 3, 2016	Tamil Nadu Pollution Control Board	March 31, 2017
133.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974	August 3, 2016	Tamil Nadu Pollution Control Board	March 31, 2017

B. Material licenses and approvals for which applications have been made by our Company

Our Company has made applications for the following approvals in relation to its various manufacturing facilities:

S. No.	Date of Application	Issuing Authority	Particulars
I. Application for factory located at SF No. 245/2, Avinashi Town, Avinashi			
1.	January 4, 2016	Industrial Safety and Health, Tirupur	Pressure Vessel Certificate
II. Application for sewing factory located at SF 229/1 and 230/3, Kaikattipudur Village, Avinashi, Tirupur			
2.	January 4, 2016	Industrial Safety and Health, Tirupur	Pressure Vessel Certificate
III. Applications for factory located at Cheyur Village, Avinashi			
3.	December 21, 2015	Tamil Nadu Pollution Control Board	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981
4.	December 21, 2015	Tamil Nadu Pollution Control Board	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974
5.	June 13, 2016	Industrial Safety and Health, Erode	Pressure Vessel Certificate
IV. Application for factory located at Samichettipalayam, Jothipuram, Coimbatore			
1.	July 29, 2015	Industrial Safety and Health, Division – I, Coimbatore	Boiler License
V. Applications for factory located at Gowrah Mahal, Atthani Main Road, Sathiyamangalam			
1.	July 4, 2016	Tamil Nadu Fire and Rescue Service, Erode	Fire Service License
2.	July 4, 2016	Kumarapalayam Panchayat	Trade License
3.	January 27, 2016	Industrial Safety and Health, Erode	Pressure Vessel Certificate
VI. Approvals for factory located at SF 93/2, Malayadipudur, Sathiyamangalam			
1.	January 27, 2016	Industrial Safety and Health, Erode	Pressure Vessel Certificate
VII. Applications for sewing factory located at Dharapuram Road, Gobichettipalayam, Erode District			
1.	January 18, 2016	Industrial Safety and Health, Erode	Pressure Vessel Certificate
XXII. Application for factory located at Anthiyur Main Road, Vellitirupur, Patlur Village, Bhavani Taluk			
1.	January 20, 2016	Industrial Safety and Health, Erode	Pressure Vessel Certificate
VIII. Application for factory located at SIPCOT, Perundurai, Erode			
1.	June 28, 2016	Tamil Nadu Fire and Rescue Service, Erode	Fire Service License

S. No.	Date of Application	Issuing Authority	Particulars
	IX. Applications for sewing factory located at South Avinashipalayam village, Tirupur to Dharapuram Road, Tirupur (Koduvai)		
1.	December 16, 2015	Tamil Nadu Pollution Control Board	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981
2.	December 16, 2015	Tamil Nadu Pollution Control Board	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974
	X. Applications for factory located at Masthipalayam, Irumbarai Village, Mettupalayam, Coimbatore (Puliyampatti)		
1.	December 23, 2015	Electrical Inspectorate, Government of Tamil Nadu	Approval for installation of generators under the Indian Electricity Rules, 1956
2.	December 17, 2015	Tamil Nadu Pollution Control Board	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981
3.	December 17, 2015	Tamil Nadu Pollution Control Board	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974
4.	April 27, 2016	Industrial Safety and Health, Uthagamandalam	Pressure Vessel Certificate
	XI. Application for sewing factory located at Avinashi Main Road, Neelambur, Coimbatore		
1.	January 25, 2016	Industrial Safety and Health, Coimbatore	Pressure Vessel Certificate
	XII. Application for sewing factory located at SF 52/11, 52/12, Gobichettipalayam, Erode District		
1.	January 25, 2016	Industrial Safety and Health, Erode	Pressure Vessel Certificate
	XIII. Application for factory located at SIPCOT, Perundurai, Erode		
1.	June 24, 2016	Directorate of Boiler Tamil Nadu, Erode Circle	Boiler License
	XXIII. Application for spinning division located at Valapady, Salem		
1.	February 17, 2016	Industrial Safety and Health, Salem	Pressure Vessel Certificate

We are in the process of establishing an additional manufacturing facility at Netaji Apparel Park for which we will apply for the necessary approvals as and when required. For further information in relation to our new manufacturing facilities, see the section "*Our Business*" on page 122.

C. *Material licenses and approvals obtained by the Subsidiaries*

*Crocodile Products Private Limited ("**CPPL**")*

1. CPPL's Corporate Identity Number is U18101TZ1998PTC008439.

2. CPPL's Permanent Account Number is AABCC2617F and Tax Deduction Account Number is CMBC03069D.

3. CPPL's Tax Payer's Identification Number (TIN) with effect from July 10, 2014 issued under the Karnataka Value Added Tax Act, 2003: 29681210683.

4. CPPL's Tax Payer's Identification Number (TIN) with effect from June 22, 1998 issued under the Tamil Nadu General Sales Tax Act, 1959: 2001428.

5. CPPL's CST Number with effect from June 22, 1998 issued under the Central Sales Tax Act, 1956: 640569.

6. CPPL has obtained an importer-exporter code (3298000108) dated April 15, 1998 issued by the Ministry of Commerce and Industry. This code is subject to the condition that in case of any change in the name/address or constitution of the holder of the importer-exporter code, the import-exporter code holder will cease to be eligible to import or export against the importer-exporter code after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the importer-exporter code by the concerned licensing authority.

7. CPPL has obtained a Central Excise Registration Certificate Number dated March 10, 2011 AABCC2617FEM002 issued by the Commissioner of Central Excise, Coimbatore.

*S.P. Apparels (UK) (P) Limited ("**SPUK**")*

1. SPUK's registration number is 9302109.

2. SPUK has obtained a tax registration dated April 1, 2015 issued by Her Majesty's Revenue and Customs: 211 0047 84.

III. Intellectual Property

A. *Registrations obtained by our Company*

S. No.	Name	Registration Number	Classes	Date of Expiry
1.	CDL	1964399	25	May 12, 2020
2.	Natalia	1590997, 1590998, 1590999, 151001, 1591000, 1591002	3, 14, 16, 18, 26, 24, 35	August 16, 2017

B. *Applications made by our Company*

S. No.	Name	Application Number	Class	Date of Application
1.		2429599, 2429600, 2429601, 2429602, 2429603	23, 24, 25, 26, 27	November 19, 2012
2.	Natalia	3000062, 300063, 300064, 300065	24, 25, 26, 35	July 2, 2015
3.	Natalia	3015912, 3015913, 3015914, 3015915	24, 25, 26, 35	July 23, 2015
4.		3015916, 3015917, 3015918, 3015919	24, 25, 26, 35	July 23, 2015
5.	CDL	1984187	3, 4, 25	June 24, 2010

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Board has approved the Offer pursuant to the resolution adopted at its meeting held on December 17, 2015 and the Shareholders have approved the Offer pursuant to the resolution adopted on December 23, 2015.

The Board has approved the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus pursuant to the resolution adopted at its meetings held on December 28, 2015, July 19, 2016 and August 6, 2016, respectively.

The Selling Shareholder has authorized its portion of the Offer pursuant to resolutions dated July 7, 2015 and June 9, 2016.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Offer for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus and no bonus shares have been issued to the Selling Shareholder.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 8, 2016 and January 29, 2016, respectively.

Prohibition by the SEBI or Other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Entities, the Selling Shareholder and the persons in control of our Company have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

None of our Directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any such entity.

Prohibition by the RBI

None of our Company, our Directors, our Promoters, our Group Entities, relatives (as defined under the Companies Act, 2013) of our individual Promoters or the Selling Shareholder has been identified as a wilful defaulter by the RBI or any other regulatory or governmental authority, banks or financial institutions. There are no violations of securities laws committed by any of them in the past or that are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations, as set forth below:

- Our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are being held in monetary assets;

- Our Company has a minimum average pre-tax operating profit of ₹150 million, calculated on a restated and consolidated basis during the three most profitable years out of the immediately preceding five years;

- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);

- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding financial year; and

- Our Company has not changed its name during the last one year.

Our Company's pre-tax operating profit, net worth and net tangible assets derived from the Restated Financial Statements included in this Prospectus as at, and for the last five years ended, March 31, 2016 are set forth below:

(Amount in ₹million)

Particulars	Fiscal 2016		Fiscal 2015		Fiscal 2014		Fiscal 2013		Fiscal 2012	
	Consolidated	*Standalone*	*Consolidated*	*Standalone*	*Consolidated*	*Standalone*	*Consolidated*	*Standalone*	*Consolidated*	*Standalone*
Net tangible assets, as restated	2,701.14	2,692.05	2,680.36	2,669.44	2,768.59	2,755.13	2,907.84	2,895.44	2,727.22	2,720.27
Monetary assets, as restated	111.29	101.43	68.48	67.02	143.93	143.56	60.78	59.77	58.17	57.7
Monetary assets, as restated as a % of net tangible assets, as restated	4.12	3.77	2.55	2.51	5.20	5.21	2.09	2.06	2.13	2.12
Pre-tax operating profit, as restated	652.07	685.02	489.18	499.50	462.42	469.08	380.77	390.94	439.15	456.43
Net worth, as restated	1,127.13	1,284.54	760.73	891.44	671.39	792.65	604.73	721.14	581.09	689.73

Source: Restated Financial Statements

(i) Net tangible assets means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(ii) Monetary assets include cash on hand, cheques in hand and balance with banks (including the deposits accounts and interest accrued thereon).

(iii) 'Pre-tax operating profit', has been calculated as net profit before the aggregate of tax, extra-ordinary items, finance costs and other income and the calculation of pre-tax operating profit, as restated, is set forth below.

Amount in ₹Million	**For the Fiscal 2016**		**For the Fiscal 2015**		**For the Fiscal 2014**	
Particulars	**Consolidated**	**Standalone**	**Consolidated**	**Standalone**	**Consolidated**	**Standalone**
Net profit before tax and extraordinary items	448.64	481.21	244.25	254.90	118.72	125.64
Add: Finance cost	252.72	252.44	311.60	311.53	355.71	355.63
Less: Other income	49.29	48.63	66.67	66.93	12.01	12.19
Pre-tax Operating Profit	**652.07**	**685.02**	**489.18**	**499.50**	**462.42**	**469.08**

Amount in ₹Million	**For the Fiscal 2013**	**For the Fiscal 2012**

Particulars	Consolidated	Standalone	Consolidated	Standalone
Net profit before tax and extraordinary items	41.39	52.21	45.85	68.23
Add: Finance cost	343.26	346.28	403.38	401.27
Less: Other income	3.88	7.55	10.08	13.07
Pre-tax Operating Profit	**380.77**	**390.94**	**439.15**	**456.43**

(iv) Net worth has been defined as the aggregate of equity share capital, securities premium and reserves and surplus (excluding revaluation reserves) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of profit and loss account, if any.

Fiscal Years 2016, 2015 and 2014 were the three most profitable years out of the immediately preceding five Fiscal Years in terms of our Restated Consolidated Financial Statements.

Further, our Company will ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will not be less than 1,000 failing which the entire application monies will be refunded forthwith.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

Disclaimer Clause of the SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA. THE SECURITIES AND EXCHANGE BOARD OF INDIA DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED AND CENTRUM CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS OF THE STATEMENTS AND UNDERTAKINGS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THE SELLING SHAREHOLDER IN THE DRAFT RED HERRING PROSPECTUS ABOUT OR IN RELATION TO ITSELF AND THE EQUITY SHARES OFFERED BY IT IN THE OFFER, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 28, 2015 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION SUCH AS CRIMINAL COMPLAINTS, COMMERCIAL DISPUTES, PATENT

DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE OFFER;

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, EACH, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS;**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT AS ON DATE SUCH REGISTRATION IS VALID;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>;**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA, UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND**

EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY, WITH THE PROCEEDS OF THE OFFER – NOT APPLICABLE;

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY, AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECTS CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE;**

10. **WE CERTIFY THAT DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER ARE REQUIRED TO BE ISSUED IN DEMATERIALIZED FORM ONLY;**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES; AND**

    (B) **AN UNDERTAKING FROM THE COMPANY THAT IT WILL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME;**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER – NOTED FOR COMPLIANCE;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN**

EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.;

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;**

16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER THE FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR;**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**

The filing of the Draft Red Herring Prospectus does not, however, absolve any person, other than the Selling Shareholder, who have authorized the issue of the Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. The SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Selling Shareholder from any liabilities to the extent of the statements specifically made by it in respect of itself and its proportion of the Equity Shares offered as part of the Offer, under Section 34 or Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer have been complied with at the time of filing of (i) the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013; and (ii) this Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholder and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.spapparels.com, or the respective websites of our Subsidiaries or our Group Entities, would be doing so at his or her own risk.

The Selling Shareholder accepts responsibility only for statements expressly made by it and included in this Prospectus in relation to itself and the Equity Shares offered by it in the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information will be made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None of our Company, our Directors, the Selling Shareholder or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer are required to confirm and are deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoters, Promoter Group, Group Entities, the Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers or suppliers to our Company, the Promoters, Promoter Group, Group Entities, the Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer has been made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, permitted insurance companies and pension funds, insurance funds set-up and managed by the army and navy and insurance funds set-up and managed by the Department of Posts, India) and to eligible non-residents, including FIIs, AIF's, QIB's, Eligible NRIs and Eligible FPIs. This Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Subsidiaries since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated January 8, 2015, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/59410 dated January 29, 2016 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Price information of past issues handled by the BRLMs

1. Price information of past public issues handled by Motilal Oswal Investment Advisors Private Limited:

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Pennar Engineered Building Systems Limited	1,561.87	178.00	September 10, 2015	177.95	-5.93% [5.16%]	-10.65% [-2.25%]	-17.39% [-4.22%]
2.	Power Mech Projects Limited	2,732.16	640.00	August 26, 2015	600.00	-9.36% [0.98%]	-0.82% [1.18%]	-10.65% [-7.15%]
3	Parag Milk Foods Limited	750.53	215.00*	May 19, 2016	215.70	17.19% [4.83%]	NA	NA

Source: www.bseindia.com and www.nseindia.com
Notes:

(i) The S&P CNX NIFTY is considered as the Benchmark Index.

** Please note that the Anchor Investor Issue Price is ₹227 per Equity Share, further there was a discount of ₹12 to the Retail Investors and Eligible Employees*

Summary statement of price information of past public issues handled by Motilal Oswal Investment Advisors Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (in ₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Between 25%-50%	Less than 25%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2016 – date of filing of this RHP	1	750.53	NA	NA	NA	NA	NA	1	NA	NA	NA	NA	NA	NA
2015 – 2016	2	4,294.03	NA	NA	2	NA	NA	NA	NA	NA	NA	NA	NA	NA
2014-2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA

2. *Price information of past public issues handled by Centrum Capital Limited:*

S. No.	Issue Name	Issue Size (₹ million.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Adlabs Entertainment Limited	3,745.94	180[(1)]	April 6, 2015	162.20	-18.36%, [-3.87%]	-12.08%, [-2.02%]	-38.39%, [-8.19%]

Source: www.bseindia.com and www.nseindia.com

[(1)] In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹168 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 221 per equity share.

Notes:

(i) Nifty 50 is considered as the Benchmark Index.

(iii) Information provided to immediate prior trading date in case of holidays.

Summary statement of price information of past public issues handled by Centrum Capital Limited:

Financial Year	Total no. of IPOs	Total funds raised (in ₹	Nos. of IPOs trading at discount as on 30th calendar day from listing date	Nos. of IPOs trading at premium as on 30th calendar day from listing date	Nos. of IPOs trading at discount as on 180th calendar day from listing date	Nos. of IPOs trading at premium as on 180th calendar day from listing date

		million)	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2016 – date of filing of this RHP	-	-	-	--	-	-	-	-	-	-	-	-	-	-
2015 – 2016	1	3,745.94	-	-	1	-	-	-	-	1	-	-	-	-
2014-2015	-	-	-	--	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs, as specified in Circular (CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of BRLM	Website
1.	Motilal Oswal Investment Advisors Private Limited	http://www.motilaloswalgroup.com
2.	Centrum Capital Limited	http://www.centrum.co.in

Filing

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at the regional office situated at Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai 600 002, Tamil Nadu, India .

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 have been delivered for registration to the RoC and a copy of this Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC at the office of the Registrar of Companies, 683, Trichy Road, Singanallur, Coimbatore 641 005, Tamil Nadu, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. The BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay all moneys received from the applicants in pursuance of this Prospectus as required by applicable law. Our Company will ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days of the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI. Further, the Selling Shareholder confirms that it will provide cooperation to our Company and the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it will repay without interest all monies received from applicants, failing which interest will be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of: (a) the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, the Chief Financial Officer, the legal advisers to our Company as to the Indian Law, the statutory auditor of our Subsidiary, CPPL, the Bankers to our Company, lenders to our Company or the Subsidiaries (where such consent is required), and (b) the BRLMs, the Registrar to the Offer, the Syndicate Members, the Escrow Collection Banks and the Refund Banks, if any, to act in their respective capacities, have been obtained prior to filing of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013.

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditors on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements, each dated June 6, 2016 and the statement of tax benefits dated June 6, 2016 included in this Prospectus and such consent has not been withdrawn up to the time of delivery of this Prospectus for filing with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditors on the Restated Consolidated Financial Statements and Restated Standalone Financial Information, each dated June 6, 2016 and the statement of tax benefits dated June 6, 2016 included in this Prospectus and such consent has not been withdrawn as of the date of this Prospectus. However, such consent does not represent consent under any requirements of the Securities Act and the term "expert" will not be construed to mean an "expert" as defined under the Securities Act.

Offer Related Expenses

The expenses of the Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. The details of the estimated Offer related expenses are set forth below:

Activity	Estimated expenses (in ₹million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to BRLMs	76.52	51.10	3.20
Selling commission and processing fees for SCSBs(1)	1.63	1.09	0.07
Selling commission and processing/uploading charges for Members of the Syndicate, RTAs and CDPs(1)	4.13	2.76	0.17
Processing/uploading charges for Registered Brokers(2)	0.01	0.01	0.00
Fees payable to Registrar to the Offer	0.01	0.01	0.43
Printing and stationary expenses	10.25	6.84	1.02
Advertising and marketing expenses	24.40	16.29	
Others			
• Listing fees	0.54	0.36	0.02
• SEBI, BSE and NSE processing fees	8.50	5.68	0.36
• Fees payable to Legal Counsel	10.00	6.68	0.42
• Miscellaneous	13.76	9.19	0.58
Total estimated Offer related expenses	**149.75**	**100.00**	**6.26**

*(1) **Selling Commission Structure***
Selling commission on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by members of the Syndicate (including their Sub-syndicate Members), RTAs and CDPs would be as follows:

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable service tax)*
Portion for Non-Institutional Investors	*0.20% of the Amount Allotted* (plus applicable service tax)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

In addition to the selling commission referred above, any additional amount(s) to be paid by the Company and the Selling Shareholder shall be, as mutually agreed upon among the Book Running Lead Managers, their affiliate Syndicate Member, the Company and the Selling Shareholder before the opening of the Offer.

Processing/Uploading Charges
Processing/uploading charges payable will be ₹10 (plus applicable service tax) per valid Bid cum Application Form procured by the Syndicate, RTAs and CDPs.

SCSBs
Selling Commission Structure
Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable service tax*
Portion for Non-Institutional Investors	*0.20% of the Amount Allotted* (plus applicable service tax*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Processing/Uploading Charges
No additional processing/uploading charges shall be payable by the Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.

ASBA PROCESSING FEES TO SCSBs
Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate/Sub-syndicate Members/Registered Brokers/RTAs/CDPs and submitted to SCSBs for blocking would be as follows.

Portion for Retail Individual Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Non-Institutional Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*

**Based on valid Bid cum Application Forms*

(2) ***FOR REGISTERED BROKERS***
Processing/Uploading Charges
Processing/uploading charges payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as follows:

Portion for Retail Individual Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Non-Institutional Investors	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*

**Based on valid Bid cum Application Forms*

All expenses relating to the Offer as mentioned above will be shared between our Company and the Selling Shareholder on a *pro rata* basis, in the ratio of the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale. To the extent required under applicable law, any payments by our Company made on behalf of the Selling Shareholder will be reimbursed by the Selling Shareholder to our Company in proportion to the Equity Shares offered by it in the Offer.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at the Registered Office.

Commission payable to SCSBs and, Registered Brokers, RTAs and CDPs

For details of the commission payable to the SCSBs, Registered Brokers, RTAs and CDPs, see the section "*Objects of the Offer*" on page 77 (and the notes to the Offer related expenses table above).

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in the agreement dated December 24, 2015 among our Company, the Selling Shareholder and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds have been provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/speed post.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of our Company.

Particulars regarding Public or Rights Issues by our Company during the last Five Years

Our Company has not made any public or rights issues during the five years preceding the date of this Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "*Capital Structure – Notes to Capital Structure – Issue of Equity Shares for Consideration other than Cash*" on page 67, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by our Company, listed Group Entities and Subsidiaries of our Company

None of our Company, the Subsidiaries or Group Entities has made any capital issues during the three years preceding the date of this Prospectus. None of the Subsidiaries or the Group Entities is listed on any stock exchange.

Performance vis-à-vis objects – Public/Rights Issue of our Company and/or listed Group Entities, Subsidiaries and associate companies of our Company

Our Company has not undertaken any previous public or rights issue. None of the Subsidiaries or the Group Entities is listed on any stock exchange. Our Company does not name any associate company.

Outstanding Debentures or Bonds or Preference Shares other instruments

Except as disclosed in the section "*Capital Structure – Notes to Capital Structure*" on page 66, our Company does not have any outstanding debentures or bonds or preference shares or other instruments as of the date of this Prospectus.

Partly Paid-Up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement among the Registrar to the Offer, our Company and the Selling Shareholder provides for the retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, date of Bid cum Application Form and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also submit a copy of the Acknowledgement Slip duly received from the Designated Intermediary in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Designated Intermediaries, for the redressal of routine investor grievances will be ten Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising Mr. V. Sakthivel, Mrs. S. Latha and Mr. S. Chenduran as members. For details, see the section "*Our Management – Corporate Governance – Committees of the Board*" on page 161.

Our Company has also appointed Ms. K. Vinodhini, Company Secretary of our Company, as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Ms. K. Vinodhini
39-A, Extension Street, Kaikattipudur
Avinashi 641 654
Tirupur District
Tamil Nadu, India
Tel: +91 4296 304013
Fax: +91 4296 304280
E-mail: csoffice@s-p-apparels.com

Changes in Statutory Auditors

There have been no changes in our Company's statutory auditors during the three years preceding the date of this Prospectus.

Capitalization of Reserves or Profits

Our Company has not capitalized its reserves or profits at any time during the last five years except as stated in the section "*Capital Structure – Notes to Capital Structure*" on page 66.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer will be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association, the SEBI ICDR Regulations, SCRA, SCRR, the terms of the Red Herring Prospectus, this Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue and sale of capital, and listing and trading of securities issued from time to time by the SEBI, the Government, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by the SEBI, the RBI and/or any other regulatory authorities while granting its approval for the Offer.

Ranking of Equity Shares

The Equity Shares that will be Allotted pursuant to the Offer will be subject to the provisions of the Companies Act, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations and will rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "*Main Provisions of the Articles of Association*" on page 408.

Offer for Sale

All expenses relating to the Offer will be shared between our Company and the Selling Shareholder on a *pro rata* basis, in the ratio of the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act and the Memorandum of Association and the Articles of Association and provisions of the Listing Regulations. For further details in relation to dividends, see the sections "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 174 and 408, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹10 each and the Offer Price is ₹268 per Equity Share. The Offer Price is 26.80 times of the face value of the Equity Shares. The Anchor Investor Offer Price is ₹268 per Equity Share.

The Price Band and the minimum Bid Lot for the Offer have been decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and Coimbatore edition of the Tamil newspaper Dinamani (Tamil being the regional language of Tamil Nadu, where the Registered Office of our Company is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement has been made available to the Stock Exchanges for the purpose of uploading on their websites.

At any given point of time there will be only one denomination of the Equity Shares.

Compliance with the SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws and the Articles of Association, the Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Regulations, the Memorandum of Association and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the section "*Main Provisions of the Articles of Association*" on page 408.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated April 19, 2007 among NSDL, our Company and the Registrar to the Offer; and
- Agreement dated December 21, 2015 among CDSL, our Company and the Registrar to the Offer.

Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 55 Equity Shares.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder, along with other joint Bidders, may nominate in the prescribed manner any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. Where a nomination made in the prescribed manner purports to confer on any person the right to vest the Equity Shares, the nominee shall, on the death of the holder of the Equity Shares, or as the case may be, on the death of the joint holders, become entitled to all the rights in the Equity Shares of the holder or, as the case may be, the joint holders, in relation to such Equity Shares to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form available on request at the Registered Office of our Company or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no requirement to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List

See the section "*Offer Structure – Bid/Offer Programme*" from pages 360 to 362.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent to the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, as applicable, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company will pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. To the extent required under applicable law, any payments by our Company made on behalf of the Selling Shareholder will be reimbursed by the Selling Shareholder to our Company in proportion to the Equity Shares offered by it in the Offer.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Shares and the Anchor Investor lock-in as detailed in the section "*Capital Structure – Notes to Capital Structure – Details of Promoters' Contribution and Lock-in*" on page 68, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation or split, except as provided in the Articles of Association. For further details, see the section "*Main Provisions of the Articles of Association*" on page 408.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares will only be in dematerialized form. The Equity Shares will be traded on the dematerialized segment of the Stock Exchanges.

OFFER STRUCTURE

Public Offer of 8,922,375* Equity Shares for cash at a price of ₹268 per Equity Share (including share premium of ₹258 per Equity Share) aggregating up to ₹2,391.20 million consisting of a Fresh Issue of up to 8,022,375* Equity Shares aggregating up to ₹2,150 million by our Company and through an Offer For Sale of up to 900,000 Equity Shares aggregating up to ₹241.20 million by the Selling Shareholder. The Offer will constitute 35.45%* of the fully-diluted post-Offer paid-up equity share capital of our Company.

* *Subject to finalization of Basis of Allotment.*

The Offer is being made through the Book Building Process.

	QIBs[1]	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for Allotment/allocation[2]	4,461, 160* Equity Shares	Not less than 1,338,370* Equity Shares available for allocation	Not less than 3,122,845* Equity Shares available for allocation
Percentage of Offer Size available for Allotment/allocation	Not more than 50% of the Offer size is available for allocation to QIBs However, up to 5% of the net QIB Category (excluding the Anchor Investor Portion) is available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Category	Not less than 15% of the Offer	Not less than 35% of the Offer
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to 89,265* Equity Shares are available for allocation on a proportionate basis only to Mutual Funds; and (b) 1,695,210* Equity Shares will be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	In the event, the Bids received from Retail Individual Investors exceeds 3,122,845* Equity Shares, then the maximum number of Retail Individual Investors who can be Allotted the minimum Bid lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid lot ("**Maximum RII Allottees**") The Allotment to Retail Individual Investors will then be made in the following manner: • In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Investors will be Allotted the minimum Bid lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category will be Allotted on a proportionate basis to the Retail Individual Investors who have received Allotment as per (i) above for less than the Equity Shares Bid by them (i.e., who have Bid for more than the minimum Bid lot).

	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
			• In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Investors (in that category) who will then be Allotted minimum Bid lot will be determined on draw of lots basis.
Mode of Bidding	Through ASBA process only	Through ASBA process only	Through ASBA process only
Minimum Bid	Such number of Equity Shares in multiples of 55 Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of 55 Equity Shares so that the Bid Amount exceeds ₹200,000	55 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	55 Equity Shares and in multiples of 55 Equity Shares thereafter	55 Equity Shares and in multiples of 55 Equity Shares thereafter	55 Equity Shares and in multiples of 55 Equity Shares thereafter
Allotment Lot	55 Equity Shares and in multiples of one Equity Share thereafter	55 Equity Shares and in multiples of one Equity Share thereafter	55 Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply [3]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law, National Investment Fund set-up by the Government of India, insurance funds set-up and managed by army, navy or air force of the Union of India and insurance funds set-up and managed by the Department of Posts, India	Resident Indian individuals, Eligible NRIs, HUFs (in the name of *Karta*), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors, sub-accounts of FIIs which are foreign corporate or foreign individuals	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *Karta*)
Terms of Payment	Full Bid Amount will be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form	Full Bid Amount will be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form	Full Bid Amount will be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form

* *Subject to finalization of Basis of Allotment.*

(1) *Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. For details, see the section "Offer Procedure" on page 363.*

(2) *Subject to valid Bids being received at or above the Offer Price. In terms of Rule 19(2)(b)(i) of the SCRR, this is an Offer for at least 25% of the pre-Offer capital. The Offer is being made through the Book Building Process in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer will be Allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third is to be reserved for domestic Mutual Funds , subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount will be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, see the section "Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment" on page 398.*

Under-subscription, if any, in any category except the QIB Category, would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment of Equity Shares. In such an event our Company will issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day of receipt of such notification. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed of such withdrawal.

If our Company and the Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue and/or offer for sale of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of this Prospectus after it is filed with the RoC.

Bid/Offer Programme

BID/OFFER OPENED ON	**August 2, 2016***
BID/OFFER CLOSED ON	**August 4, 2016**

* *The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations i.e., August 1, 2016.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about August 9, 2016
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about August 10, 2016
Credit of Equity Shares to demat accounts of Allottees	On or about August 11, 2016
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about August 12, 2016

* *Investors are requested to refer to the SEBI Circular - CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 for an indicative timeline of all post-Offer activities.*

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholder or the BRLMs. While our Company will ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend reasonable cooperation, in order to facilitate its respective portion of the Equity Shares offered as part of the Offer for Sale at the Stock Exchanges within six Working Days of the Bid/Offer Closing Date.

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "**IST**") during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding centres mentioned on the Bid cum Application Form or in case of ASBA Bidders, at the Designated Branches, or by the members of the Syndicate at the Specified Locations or by the Registered Brokers at the Broker Centres.

On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIBs and Non-Institutional Investors, and (ii) until 5.00 p. m. (IST) or such extended time as permitted by the Stock Exchanges in case of Bids by Retail Individual Investors, after taking into account the total number of applications received up to the closure of timings for acceptance of Bid cum Application Forms and reported by the BRLMs to the Stock Exchanges.

On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that the Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Offer Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Working Days. None of our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Any revision in Price Band will not exceed 20% on the either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding ten Working Days.

Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs and the terminals of the other members of the Syndicate Members and by intimation to SCSBs.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues issued by the SEBI pursuant to the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 (the "General Information Document") and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/ 2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under the section "- Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the SEBI FPI Regulations, to the extent applicable to a public offer. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Part A

Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Offer will be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder, in consultation with the BRLMs may, in consultation with the Selling Shareholder, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third has been reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) is available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category is available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer is available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer is available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, will be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus have been made available with the Designated Intermediaries at the Bidding Centres and the Registered Office. An electronic copy of the ASBA Form have been made available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Date.

Copies of the Anchor Investor Application Form have been made available at the offices of the BRLMs.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of a member of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Bid cum Application Form for the various categories is as follows:

Category	Color of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FPIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors[(2)]	White

[(1)] Excluding electronic Bid cum Application Form.

[(2)] Anchor Investor Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB or any Escrow Collection Bank.

Who can Bid?

In addition to the categories of Bidders set forth under "*– General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including,

(i) Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;

(ii) Scientific and industrial research institutions; and

(iii) Any other person eligible to Bid in the Offer under the Applicable Laws.

Participation by Promoter, Promoter Group, BRLMs, the Syndicate Members and persons related to them.

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than Mutual Funds), or the Promoters and the Promoter Group and any persons related to the Promoters and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, severally and not jointly reserve the right to reject any Bid without assigning any reason therefor. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of the Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Bid cum Application Forms for Non-Residents (blue in color) should authorize their SCSBs to block their NRE accounts, or FCNR Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using the Bid cum Application Forms for Residents (white in color) should authorize their SCSBs to block their NRO Accounts for the full Bid Amount, at the time of the submission of the relevant Bid cum Application Form.

Bids by FPIs (including FIIs)

On January 7, 2014, the SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investor namely, 'foreign institutional investors' and qualified foreign investors' will be subsumed under a new category namely, 'foreign portfolio investors' or 'FPIs'. On March 13, 2014, the RBI amended the FEMA Regulations and specified conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, any FII which holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration with the SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of the Equity Share capital of our Company. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the aggregate holdings of all FPIs put together may not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution adopted by the Board followed by a special resolution adopted by the Shareholders. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) will be included. Pursuant to an amendment to the Consolidated FDI Policy Circular of 2015, with effect from May 12, 2015, subject to certain provisions and exceptions, the sectoral caps for foreign investment in a company will be composite and include all types of foreign investment including FPIs and the aggregate foreign investment in such company (including the aggregate FPI holding) may not exceed the sectoral cap.

Subject to compliance with all applicable Indian laws, rules, regulations, circulars, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that any transfer of offshore derivative instrument is made by or on behalf of it subject to the following conditions: (i) such offshore derivative instruments are transferred to persons subject to fulfilment of the SEBI FPI Regulations; and (ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPIs.

Further, pursuant to a circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivate instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations.

FPIs which wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in color). FPIs are required to Bid through the ASBA process to participate in the Offer.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and the SEBI FVCI Regulations, *inter alia,* prescribe the investment restrictions on VCFs and FVCIs registered with the SEBI. Further, the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with the SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of any bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Bidders will be treated on the same basis with
other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder severally and not jointly reserve the right to reject any Bid without assigning any reason therefor.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder severally and not jointly reserve the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder severally and not jointly reserve the right to reject any Bid without assigning any reason therefor.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of a general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Insurance companies participating in the Offer are required to comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder severally and not jointly reserve the right to reject any Bid without assigning any reason therefor.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies insurance funds set-up by the army, navy or air force of India, insurance funds set-up by the Department of Posts, India or the National Investment fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidder's depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;

5. Ensure that the your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time; (except in case of electronic forms);

6. In case the applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

8. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the Designated Intermediaries;

10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process for any other purpose;

12. Submit revised Bids to the same Designated Intermediaries, as applicable, through whom the original Bid was placed and obtain a revised acknowledgement slip;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

16. Ensure that the signature of the First Bidder, in case of joint Bids, is included in the Bid cum Application Forms;

17. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

18. Ensure that the category and sub-category is indicated;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

21. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;

22. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then

such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

23. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;

24. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

25. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another ASBA Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

4. Do not pay the Bid Amount in cheques, demand drafts, by cash, money order or postal order or by stockinvest;

5. The payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;

6. Do not send Bid cum Application Forms by post; instead submit the Bid cum Application Forms to the Designated Intermediaries only;

7. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Designated Intermediaries;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not Bid at Cut-off Price (if you are bidding under the category of QIBs or the Non-Institutional Investor);

11. Do not Bid for a Bid Amount exceeding ₹200,000 (if you are bidding under the Retail Category);

12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

13. Do not submit the General Index Register number instead of the PAN;

14. Do not submit Bid for an amount more than funds available in your ASBA Account;

15. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);

18. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment Instructions into Escrow Account for Anchor Investors

Our Company and the Selling Shareholder in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

(a) In case of resident Anchor Investors: "Escrow Account-SPAL IPO-Anchor Investor-R"

(b) In case of Non-Resident Anchor Investors: "Escrow Account-SPAL IPO-Anchor Investor-NR"

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company, after registering the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express (English language), all editions of Jansatta (Hindi language) and Coimbatore edition of Dinamani (Tamil language), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder, the Registrar to the Offer and the Underwriters have entered into an Underwriting Agreement after the finalization of the Offer Price.

(b) After signing the Underwriting Agreement, our Company and the Selling Shareholder will update and file the updated Red Herring Prospectus with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under section 447.*”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company and the Selling Shareholder

Our Company undertakes that:

- if our Company or the Selling Shareholder do not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company or the Selling Shareholder withdraws the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company and the Selling Shareholder subsequently decide to proceed with the Offer;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed will be taken within six Working Days of the Bid/Offer Closing Date;

- the Allotment letters will be issued or the application money will be refunded/unblocked within such time as specified by the SEBI or else the application money will be refunded to the Bidders/unblocked in the ASBA Account forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum or at such rate as prescribed under the Companies Act, 2013, the SEBI Regulations and other applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company in proportion to the Equity Shares offered in the Offer;

- where refunds are made (to the extent applicable) through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of credit of securities/refund orders to Eligible NRIs shall be despatched within specified time;

- except as disclosed in this Prospectus, no further issue of Equity Shares shall be made until the Equity Shares offered through this Prospectus are listed or until the Bid monies are refunded or unblocked in the ASBA Account on account of non-listing, under-subscription etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms by Bidders.

The Selling Shareholder undertakes that:

- the Equity Shares being sold by it in the Offer have been held by it for a period of not less than one year prior to the date of the Draft Red Herring Prospectus and are in dematerialized form;

- it has authorized the Compliance Officer and the Registrar to the Offer to redress complaints, if any, in relation to the Equity Shares held by it and being offered pursuant to the Offer, and shall extend reasonable cooperation to our Company and the BRLMs in this regard;

- the Equity Shares being sold by it in the Offer for Sale are free and clear of any pre-emptive rights, liens, mortgages, trusts, charges, pledges or any other encumbrances, or transfer restriction of any kind;

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares being sold in the Offer for Sale;

- there is no outstanding litigation which restricts the Selling Shareholder from selling the Equity Shares in the Offer for Sale;

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received; and

- it will take all such steps as may be required to ensure that the Equity Shares being offered by it in the Offer are available for transfer in the Offer within the time period specified under applicable law.

Utilization of Offer Proceeds

Our Company and the Selling Shareholder, declare that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilized out of the Offer shall be disclosed, and continue to be disclosed until the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

- details of all unutilized monies out of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested; and

- the Selling Shareholder will not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Part B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/ this Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/ this Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulations 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 FURTHER PUBLIC OFFER (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding ten Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

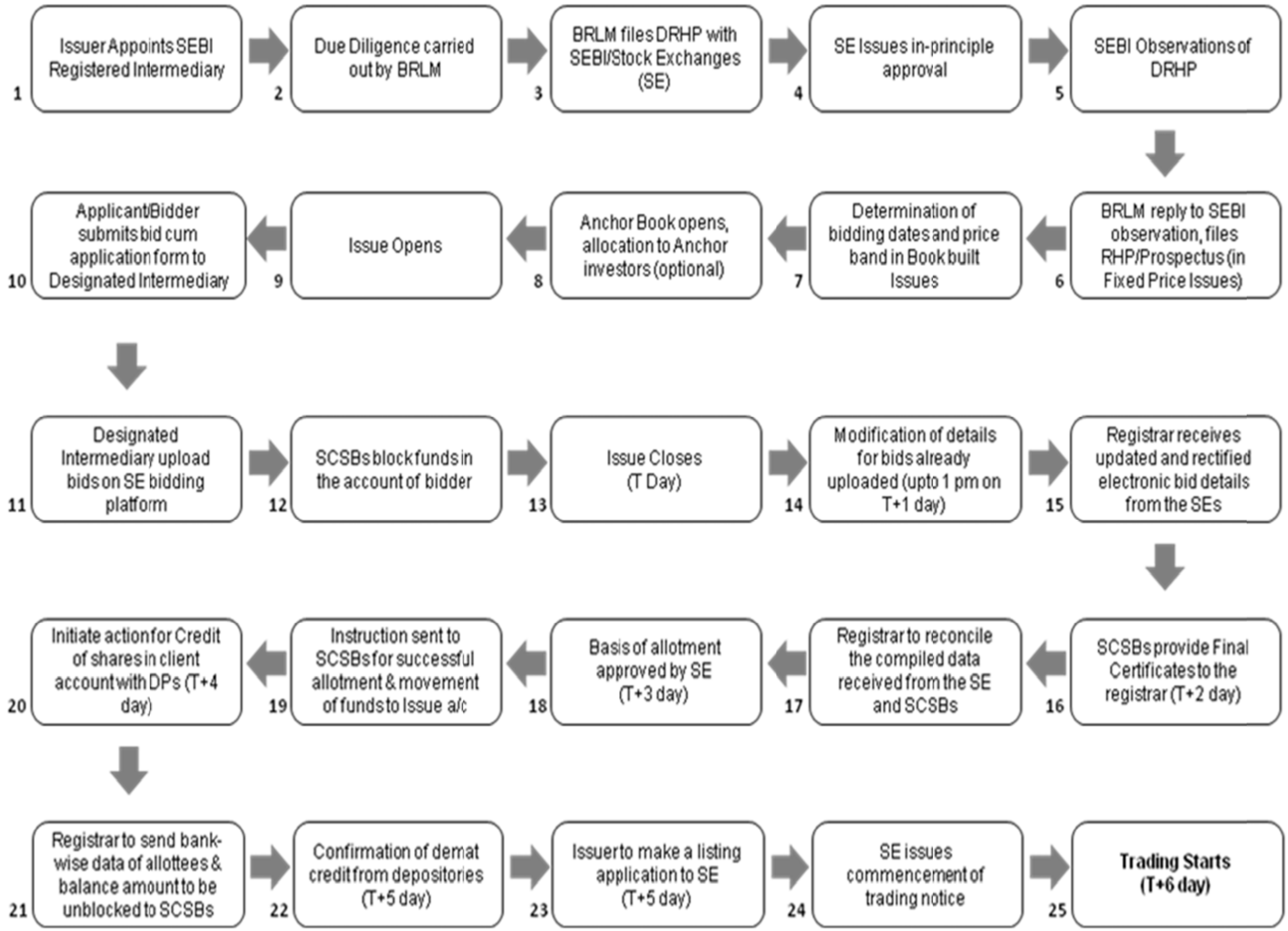
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    (i) Step 7 : Determination of Issue Date and Price

    (ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares;

- Scientific and/or industrial research organizations authorized in India to invest in the Equity Shares;

- QIBs;

- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;

- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);

- FPIs other than Category III foreign portfolio investors, bidding under the QIBs category;

- FPIs which are Category III foreign portfolio investors, bidding under the Non Institutional Investors (NIIs) category;

- FIIs and sub-accounts registered with the SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- Sub-accounts of FIIs registered with the SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;

- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and

- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investor, the Anchor Investor Application Form) either bearing the stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

6. INVESTOR STATUS

- ☐ Individual(s) - IND
- ☐ Hindu Undivided Family* - HUF
- ☐ Bodies Corporate - CO
- ☐ Banks & Financial Institutions - FI
- ☐ Mutual Funds - MF
- ☐ Non-Resident Indians - NRI (Non-Repatriation basis)
- ☐ National Investment Fund - NIF
- ☐ Insurance Funds - IF
- ☐ Insurance Companies - IC
- ☐ Venture Capital Funds - VCF
- ☐ Alternative Investment Funds - AIF
- ☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

- ☐ Retail Individual Bidder
- ☐ Non-Institutional Bidder
- ☐ QIB

7. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ....

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ....
Bank & Branch ....

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✔ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

NRI Non-Resident Indian(s) (Repatriation basis)

FII FII or Sub-account not a Corporate/Foreign Individual

FIISA FII Sub-account Corporate/Individual

FVCI Foreign Venture Capital Investor

FPI Foreign Portfolio Investors

OTH Others (Please Specify)________

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ________	3)	

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ____________

Bank & Branch ____________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective CDP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. . Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.

(d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Investor Category (with it not being eligible for Discount, if any) then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise their bids till closure of the bidding period or withdraw their bids until Bid/Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details, Bidders may refer to (Section 5.6 (e) of this GID).

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the RHP/Prospectus for more details.

(c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorization provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e., Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders (except the Anchor Investors) can participate only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

(e) The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, direct credit or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) All Bidders (except Anchor Investors) may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the ASBA Form, or

ii. in physical mode to a Designated Intermediary, or

(b) Bidders may specify the Bank Account number in the ASBA Form. The ASBA Form submitted by a Bidder and which is accompanied by cash, cheque, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the ASBA Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the ASBA Form only at the Bidding Centres, i.e., to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders bidding through a Registered Intermediary (other than an SCSB) should note that the ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such Bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Discount (if applicable)**

(a) The Discount is stated in absolute Rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder, then the signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids, signature has to be correctly affixed in the authorization/undertaking box in the ASBA Form/, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

(d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids made in the Issue should be addressed to the Registrar to the Issue with a copy to the Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details including the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary to whom the Bid cum Application Form was submitted.

(c) The Bidder should also enclose a copy of the acknowledgment slip duly received from the Designated Intermediaries in addition to the information mentioned above.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

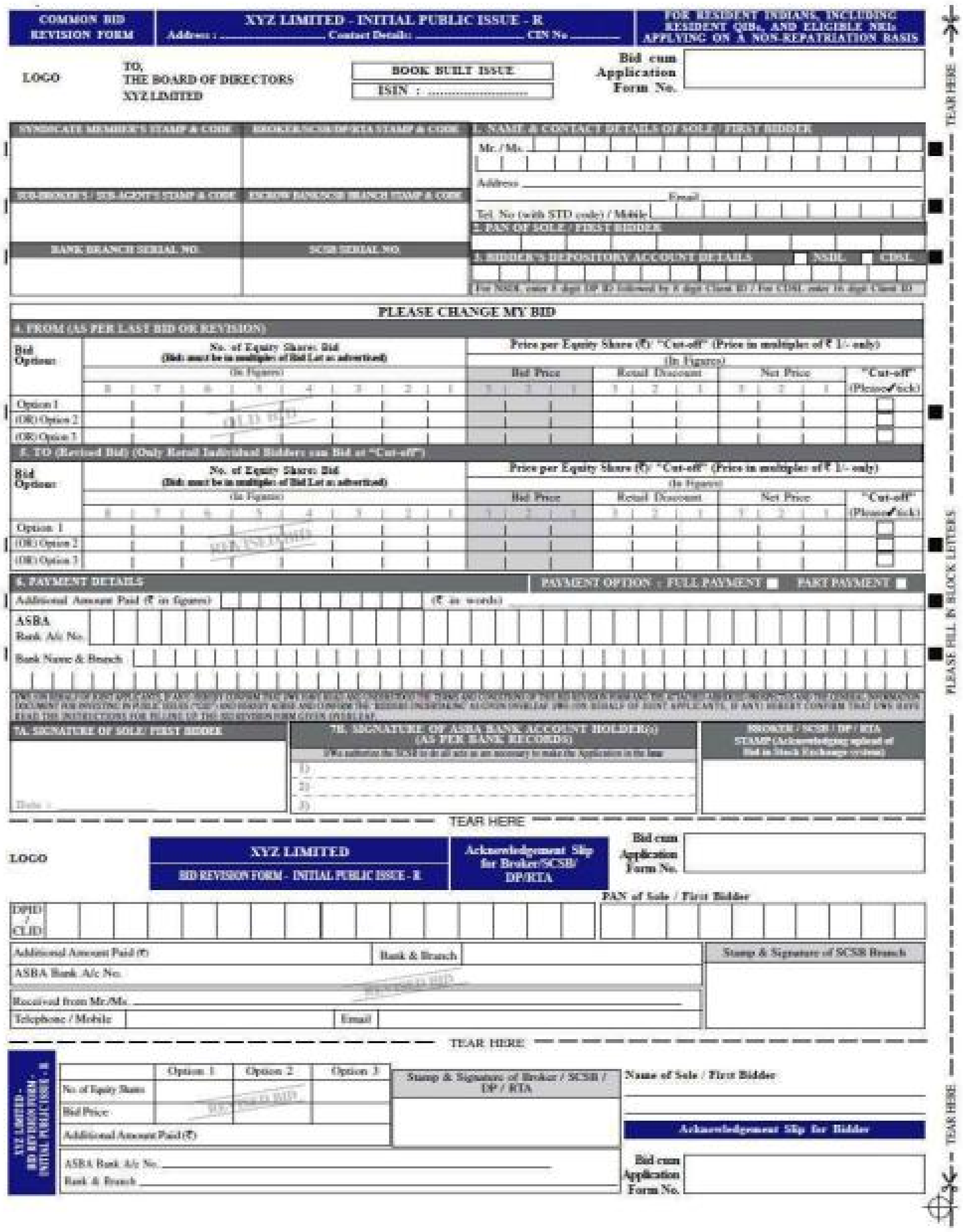
(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until Bid/Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:



COMMON BID REVISION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

Address : .... Contact Details: .... CIN No ....

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT | PART PAYMENT

Additional Amount Paid (₹ in figures) | (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO | XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R | Acknowledgement Slip for Broker/SCSB/ DP/RTA | Bid cum Application Form No.

DPID / CLID | PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

REVISED BID

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares		REVISED BID	
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked after the Basis of Allotment is finalized.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders are required to authorize blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e., Bid price less discount offered, if any.

(b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Investor Category in terms of the RHP/Prospectus. If, however, the Bidder does not either revise the Bid or make authorize blocking and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required to be blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked after the Basis of Allotment is finalized.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention the Issue Price or Price Band in the Draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, Allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Bidders (other than Anchor Investors) are required to only make use of ASBA for applying in the Offer and authorize blocking the full Amount (net of any Discount, as applicable) in the ASBA Account along with the ASBA Form.

(b) Application Amount cannot be paid in cash, cheque, demand draft through money order or through postal order or through stock invest.

4.3.5.1 **Payment Instructions for Applicants:**

Applicants should refer to instructions in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions in paragraph 4.1.7.2.1.

4.3.5.4 **Discount** (if applicable)

Applicants should refer to instructions in paragraph 4.1.7.2.3.

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM

4.4.1 Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investor Application Form	To the Book Running Lead Managers at the location specified in the Anchor Investor Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

(a) Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidder had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders may approach the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.

(b) In case of Bidders (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediaries may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set-up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given until 1.00 p.m. on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until the Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediaries, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediaries,

ii. the Bids uploaded by the Designated Intermediaries, or

iii. the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries,

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject Bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders are advised to note that the Bids are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids by OCBs;

(c) In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

(e) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids at a price less than the Floor Price & Bids at a price more than the Cap Price;

(k) Bids at Cut-off Price by NIIs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

(m) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five Bid cum Application Forms as per ASBA Account;

(o) Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(p) Multiple Bids as defined in this GID and the RHP/Prospectus;

(q) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(r) Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Format the time of blocking such Bid/Application Amount in the bank account and in case of Anchor Investors, Bids where sufficient funds are not available in Anchor Investor Escrow Accounts as per final certificate from the Escrow Collection Banks;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids (other than from Anchor Investors) not submitted through ASBA process;

(u) ASBA Bids submitted to a Designated Intermediaries at locations other than the Bidding Centres or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(v) Bids not uploaded on the terminals of the Stock Exchanges; and

(w) Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder may refer to the RHP / Prospectus.

(b) Under-subscription in any category (other than QIB) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, *i.e.*, at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been Allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediaries.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e., who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer and the Selling Shareholder in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹250 crores, and an additional ten Anchor Investors for every additional ₹250 crores or part thereof, subject to minimum Allotment of ₹5 crores per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹10 crore in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum bid lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Investor Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying as Anchor Investors shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

Any failure by the Issuer to make an application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares in accordance with Section 40 of the Companies Act, 2013 shall be punishable in accordance therewith with a fine which shall not be less than ₹500,000 but which may extend to ₹5,000,000 and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹300,000, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as prescribed, and as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay without interest all monies received from the Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under subscription in the Issue involving a Fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issue and every director of the Issuer who is an officer in default may, on and from the expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NECS -** Payment of refund may be done through NECS for Anchor Investors having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Anchor Investors as obtained from the Depository;

(b) **NEFT -** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFS**"), which can be linked to the MICR of that particular branch. The IFS Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFS Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit -** Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS -** Anchor Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for all Bidders/Applicants (other than Anchor Investors)

In case of Bidders (other than Anchor Investors) , the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if the refund instructions have not been given to the clearing system in the disclosed manner or instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 Days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants (other than Anchor Investors) to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bidder/Applicant	All Bidders/Applicants in the Issue, except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Issue/ Escrow Collection Banks/ Collecting	The banks which are clearing members and registered with SEBI as Banker to the Issue with which the Escrow Accounts for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum

Term	Description
Banker	Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	Except for Anchor Investors, the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	Except for Anchor Investors, the date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	Anchor Investor Application Form or ASBA Form, as the context requires. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder should be construed to mean an Applicant
Book Built Process/ Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except second and fourth Saturday and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Collecting Depository Participants or CDP	A depository participant as defined under the Depositories Act, 1996, registered with the SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the Bidders/Applicants (except Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA Forms to Collecting Depository Participants The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock

Term	Description
	Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Banks from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Members of the Syndicate, Sub-syndicate Members, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Banks and in whose favor the Anchor Investors may transfer money____ through NECS, NEFT, direct credit or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Banks and the Refund Bank for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Banks	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion

Term	Description
Non-Institutional Investors or NIIs	All Bidders, including FPIs which are Category III foreign portfolio investors registered with SEBI that are not QIBs or RIIs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QFIs	Qualified Foreign Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or Bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)

Term	Description
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Sub-syndicate Member(s)	Such authorized representatives and/or sub brokers appointed by the members of the Syndicate to collect Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The Articles of Association comprise two parts, Part A and Part B. In case of inconsistency or conflict between Part A and Part B, the provisions of Part B shall be applicable; however, Part B shall stand deleted, not have any force and be deemed to be removed from the Articles of Association upon the listing of the Equity Shares on any of the Stock Exchanges without any further action by our Company or the Shareholders. Set forth below are the main provisions of the Articles of Association as contained in Part A.

PART A

	Article	
		IV. SHARES
Authorized Share Capital	4(a)	The Authorized Share Capital of the Company is as stated in Clause V of the Memorandum with the rights, privileges and conditions attached thereto as are provided by the Articles for the time being. The Company shall have power to increase, reduce, consolidate, sub-divide or otherwise alter the Share Capital and to divide the Shares in the Share Capital for the time being into several classes and to attach thereof respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being.
Power to issue redeemable preference shares	4(b)	Subject to the provisions of these Articles and of the Act, the Company shall have power to issue preference Shares which may, at the option of the Company, be liable to be redeemed out of the profits or out of the proceeds of a fresh issue of Shares made for the purposes of such redemption. The Board may, subject to the provisions of Section 55 of the Act and the Companies (Share Capital and Debenture) Rules, 2014, exercise such power in such manner as it may think fit.
	4(c)	In respect of terms of issue of Shares the provisions of Articles 53, 54, 55, 56 and 57 shall apply.
Dematerialization of shares	4(d)	The Company shall be entitled to dematerialize all or any of its existing securities, rematerialize all or any of its securities held in the Depositories and /or to offer its fresh Shares or buyback its Shares in a dematerialized form pursuant to the Depositories Act and the relevant Rules, if any.
Option for Investors	4(e)	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.
	4(f)	If a person opts to hold his security with a Depository, the Company shall intimate such Depository about the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.

Article

Securities in Depositories to be in fungible form	4(g)	All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.
Rights of Depositories and Beneficial Owners	4(h)	Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owners.
	4(i)	Save as otherwise provided in (h) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it
Shares under control of Board	5	Subject to these Articles and the provisions of the Act, the Shares of the Company whenever issued shall be under the control and the disposal of the Board who may issue, allot or otherwise dispose of the Shares or any of them to such Persons, in such proportion, on such terms and conditions and at such times and at par or at a premium or subject to compliance with Section 53 of the Act at a discount as they may, from time to time, think fit and proper. and may also issue and allot Shares in the capital of the Company in payment or part payment for any property or assets sold or transferred to or for services rendered to the Company in or about the conduct of its business and the Shares which may be so allotted may be issued as fully paid-up Shares and if so issued shall be deemed to be fully paid-up Shares, provided that option or right to call Shares shall not be given to any Person or Persons without the sanction of the Company in a general meeting.
Power to issue shares	6	The Company may, subject to the Act, issue any part or parts of the unissued Shares (either equity or preference carrying a right to redemption out of the profits or liable to be so redeemed at the option of the Company) upon such terms and conditions and with such rights and privileges annexed thereto as the Board at their discretion may think fit and proper. Subject to the provisions of the Act and the Rules, in particular, the Board may issue such Shares with such preferential or qualifying rights to dividends and for the distribution of the assets of the Company as the Board may, subject to the aforesaid sections, determine from time to time.
Powers to pay commission in connection with securities issued	7	The Company may exercise the power of paying commission conferred by Section 40(6) of the Act along with Rules thereof and in such case shall comply with the requirements of that section and the Rules. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also on any issue of Shares or debentures pay such brokerage as may be lawful.
Instalment of shares to be duly paid	8	If, by the conditions of allotment of any Share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the Share or by his executor or administrator.

	Article	
Liability of joint-holders of shares	9	The joint-holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Share.
Who may be registered	11	Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint-holders of any share.
Company not to purchase its own shares	12	Save as permitted by Section 67 of the Act, the funds of the Company shall not be employed in the purchase of security, Shares in the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for Shares in the Company or shares of any company of which it may, for the time being, be a subsidiary. The Articles shall not be deemed to affect the power of the Company to enforce repayment of loans to Members or to exercise a lien conferred by Article 31.
Purchase of own shares	13	Subject to the provisions of Sections 68 to 70 and all other applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, if necessary, the Company may, by adopting a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as 'buyback') from its existing shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat equity, from (i) out of its free reserves, (ii) out of the securities premium account of the Company, (iii) out of proceeds of any issue made by the Company specifically for the purpose, or (iv) on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

V. SHARE CERTIFICATES

Authority to issue share certificates	14(i)	Subject to the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof; the certificates of title to Share and duplicate thereof when necessary shall be issued as may be approved by the Board or any Committee thereof.
Members right to certificate	14(ii)	Every Member shall be entitled free of charge to one certificate for all the Shares of each class registered in his name or if the Board so approves to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Such certificate shall be issued in accordance with the provisions of the Act and Rules.
Issue of new certificate in place of	14(iii)	If any share certificate is worn out, defaced, mutilated or torn or if there is no further space on the back thereof for endorsement of transfer or in case of

Article

one defaced, lost or destroyed.		sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new share certificate may be issued in lieu thereof, and if any share certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new share certificate in lieu thereof shall be given to the party entitled to such lost or destroyed share certificate. Every share certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding ₹50) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable law including the rules or regulations or requirements of any stock exchange, the Rules and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

VI. CALLS

Board may make calls	15	The Board may, from time to time, subject to the sanction of shareholders and subject to the terms on which any Shares may have been issued and subject to the provisions of Section 49 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board.
Notice of call	16	Notice of any call as may be prescribed shall be given specifying the time and place of payment and to whom such call be paid.
Payment of interest on call	17(i)	If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the Share for which the call shall have been made or the instalment shall be due, shall pay interest for the same at maximum rate, as prescribed in the Act or Rules or under any other law for the time being in force, from day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Board may determine.
Board may waive interest	17(ii)	The Board shall be at liberty to waive payment of any such interest either wholly or in part.
Amount payable at fixed times or payable in instalments on calls	18	If, by the terms of any Share or otherwise, any amount is made payable upon allotment or at any fixed time or by instalments at fixed times, whether on account of the amount of the Share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

Article		
Evidence in action by Company against shareholders	19	On the trial or hearing of any action or suit brought by the Company against any Shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register as a holder, or one of the holders of the number of Shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment of calls in advance	20	The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the money due upon the Share held by him beyond the sums actually called for and upon the money so paid or satisfied in advance, or so in respect thereof as from time to time exceeds the amount of the calls then made upon the Share in respect of which such advance has been made, the Company may pay interest at such rate as may be fixed by the Board. Money so paid in advance of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such a Member not less than three (3) months' notice in writing. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
Revocation or postponement of call	21	A call may be revoked or postponed at the discretion of the Board

VII. FORFEITURE

If call or instalment not paid notice may be given	22	If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of such call or instalment, the Board may, at any time, during such time as the call or instalment remains unpaid, serve notice on such Member requiring him to pay such call or instalment, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Form of notice	23	The notice shall name a day in accordance with the Act and the place or places on and at which such call or instalment and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the Shares in respect of which such call was made or instalment is payable will be liable to be forfeited. .
In default of compliance with notice, shares to be forfeited .	24	If the requirements of any such notice as aforesaid not be complied with, any Share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect.
Entry of forfeiture in register of members	25	When any Share shall have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated

Article

by an omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited shares may be sold, etc.	26	Any Share so forfeited shall be deemed to be the property of the Company and the Board may sell, re- allot or otherwise dispose of such forfeited Share in such manner as it thinks fit.
Cancellation of forfeiture	27	The Board may, at any time before any Shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.
Shareholders still liable to pay money owing at the time of forfeiture	28	A Person whose Share has been forfeited shall cease to be a Member in respect of such Share, but shall, notwithstanding the forfeiture, remain liable to pay and shall forthwith pay to the Company, all calls or all instalments, interest and expenses, owing upon or in respect of such Share, at the time of the forfeiture, together with interest thereon, from the due date to the time of actual payment at such rate as may be fixed by the Board and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under an obligation to do so.
Evidence of forfeiture	29	A duly verified declaration in writing that, the declarant is a Director, Manager or Secretary of the Company and has been authorized by a Board resolution to act as declarant and that certain Shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale or disposition thereof shall constitute a good title to such Shares and the Person to whom any such Share is sold shall be registered as the holder of such Share and shall not be bound to see the application of purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.
Forfeiture provisions to apply to non-payment in terms of issue	30	The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of Share, becomes payable at a fixed time, whether on account of the nominal value of a Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

VIII. LIEN

Company's lien on shares	31	The Company shall have a first and paramount lien upon every Share not being fully paid-up, registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys (whether presently payable or not) called or payable at a fixed time in respect of such Share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all liens.

	Article	
Lien to extend to dividends, etc.	31	Such lien shall extend to all dividends from time to time declared in respect of such Share subject to the provisions of Section 124 of the Act and also to bonus declared on the Shares.
Waiver of lien in case of registration	31	Unless otherwise agreed, the registration of a transfer of a Share shall operate as waiver of the Company's lien if any, on such Share
As to enforcing lien by sale	32	For the purpose of enforcing such lien, the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such a Member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such Share for such prescribed period after the date of such notice.
Application of proceeds of sale	33	The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Share before the sale) be paid to the Persons entitled to the Share at the date of this sale.
Validity of sale	34	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some persons to execute an instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register in respect of the Share sold and the purchaser shall not be bound to see the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register in respect of such Share the validity of the sale shall not be impeached by any Person, and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively. .

IX. TRANSFER AND TRANSMISSION

Instrument of transfer	36	The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, shall be duly complied with in respect of all transfers of Shares and the registration thereof.
Application by transferor	38	Application for the registration of the transfer of a Share may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall, in the case of a partly paid Share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014 and subject to provisions of these Articles the Company shall, unless objection is made by the transferee within specified time, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.
Form of transfer	39	The instrument of transfer shall be in the form prescribed by the Act and the Companies (Share Capital and Debentures) Rules, 2014. A common form of transfer shall be used in case of transfer of Shares

	Article	
Board may refuse to register transfer	41	Subject to the provisions of these Articles, and of Section 58 or any other applicable provisions of the Act and Listing Obligations Regulations or any other applicable provisions of any other law for the time being in force or any statutory modification(s), the Board, may on sufficient cause, refuse to register any transfer of Shares or the transmission of Shares by operation of law of the right to a Share. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
No transfer to a person of unsound mind etc.	42	No transfer shall be made to a person of unsound mind and no transfer of partly paid Shares shall be made to a minor.
Notice of refusal to register transfer	44	If the Board refuses, whether in pursuance of Article 41 or otherwise, to register the transfer of, or the transmission by operation of law of the right to any Share, the Company shall, within the time prescribed by the Act, Rules or Listing Obligations Regulations send the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.
No Fee on registration of transfer	45	No fee shall be payable to the Company in respect of transfer or transmission of any Shares in the Company, probate, succession certificate, letters of administration, certificate of death or marriage, power of attorney or similar other document.
Transmission of registered shares	46	The executor or administrator of a deceased Member (not being one of several joint-holders) shall be the only person recognized by the Company as having any title to the Shares registered in the name of such Member and in case of the death of any or more of the joint-holders of any registered Share, the survivor shall be the only person recognized by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint- holder from any liability on the Share held by him jointly with any other person. In case of death of the survivor, provisions of Section 72 of the Act shall apply. Before recognising any executor or administrator, the Board may require him to obtain a grant or probate or Letters of Administration or other legal representation, as the case may be from a competent court in India, provided nevertheless that in any case where the Board, in its absolute discretion thinks fit, it shall be lawful for the Board to dispense, Letters of Administration or such other legal representation upon such terms as to indemnity, as it considers proper.
Transfer of shares of insane, minor, deceased or bankrupt members	47	Any committee or guardian of a lunatic or minor Member or any person becoming entitled to transfer a Share in consequence of the death or bankruptcy or insolvency of any Member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a Member in respect of such Share, or may, subject to the regulations as to transfer herein before contained transfer such Share.
Right to election of holder of share	48(i)	If the person so becoming entitled under transmission shall elect to be registered as a holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

Article

Manner of testifying election

48(ii) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer of the Share.

Limitations applicable to notice

48(iii) All the limitations, restrictions and provisions, of these Articles relating to the right to transfer and the registration of instruments of transfer of a Share shall be applicable to any such notice or transfer as aforesaid, as if the death, lunacy, bankruptcy or insolvency of the Member had not occurred.

Rights of persons entitled to shares under transmission

49 A person so becoming entitled under transmission to a Share by reason of death, lunacy, bankruptcy of the holder shall, subject to the provisions of Article 83 and of Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Share, except that he shall not before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give a notice requiring any such person to elect, either to be registered himself or to transfer the Share, and if the notice is not complied with within the time fixed by the Board, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the Share, until the requirements of the notice have been complied with..

Nomination of shares

50 Every holder of Shares in, or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in, or debentures of, the Company shall vest in event of his death.

Where the Shares in, or debentures of the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner a person to whom all the rights in the Shares or debentures of the Company shall vest in the event of death of all joint-holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in or debentures of the Company, the nominee shall, on the death of the Shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint-holder becomes entitled to all the rights in the Shares or debentures of the Company or, as the case may be, all the joint-holders, in relation to such Shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of the debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares in, or debentures of the Company, in the event of his death, during minority.

Any person who becomes a nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either to be registered himself as holder of the Share(s) or debenture(s) as the case may be or to make such transfer of the Share(s) or debenture(s) as the deceased shareholder or debenture holder, as the case may be, could have made..

Article

Provisions as to transmission to apply mutatis mutandis to all securities

51 The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

X. INCREASE AND REDUCTION OF CAPITAL

Power to increase capital

52 The Company may, by an ordinary resolution adopted by the Members in a general meeting or by postal ballot, increase its capital, from time to time, by creation of new Shares of such amounts as may be deemed expedient in accordance with the applicable provisions of the Act.

Condition for issue of new shares

53 Subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the new Shares or the existing unissued Shares of any class may be issued. In the case of new Shares upon such terms and conditions and with such rights and privileges attached thereto as the Shareholders resolving in a general meeting upon the creation thereof shall direct, and if no directions be given, and in the case of existing unissued Shares as the Board, subject to the Act, shall determine, and in particular in the case of preference Shares such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with rights of redemption.

Issue of sweat equity shares to employees or directors

54 Subject to the provisions of the Act and other applicable law and relevant rules and regulations, the Company may issue sweat Equity Shares to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called or for the performance of past or future services, provided that such issue is authorized by a special resolution adopted by the Company in a general meeting.

Reduction of share capital

58 The Company may, subject to the applicable provisions of the Act and Rules, from time to time, by special resolution reduce its capital and any capital redemption reserve account or securities premium account, in any manner and with and subject to any incident authorized and consent required by law.

Issue of bonus shares

59 Subject to the provisions of Section 63 of the Act read with the applicable Rules, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account.

XI. ALTERATION OF CAPITAL

Power to alter share capital

60 The Company in a general meeting or through postal ballot may, subject to the provisions of the Act, from time to time:-

(a) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
(b) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum so, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;
(c) convert all or any of its fully paid-up Shares into stock, and reconvert

Article

that stock into fully paid-up Shares of any denomination;

(d) cancel any Shares which at the date of the adopting of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

Surrender of shares 61

Subject to the provisions of the Act, the Board may accept from any Member the surrender, on such terms and conditions as shall be agreed, of all or any of his Shares.

XII. MODIFICATION OF RIGHTS

Power to modify rights 62

Whenever the capital (by reason of the issue of preference Shares or otherwise) is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, commuted, affected, abrogated, varied or dealt with by consent in writing by the holders of not less than three-fourths of the issued Shares of that class, or by a special resolution adopted at a separate meeting of the holders of the issued Shares of that class and all the provisions herein after contained as to general meetings shall *mutatis mutandis*, apply to every such meeting. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 117 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

The rights conferred upon the holders of the Shares (including preference Shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

XIII. BORROWING POWERS

Power to borrow 63

Subject to the provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, the directors may from time to time at their discretion, by resolution adopted at the meeting of the Board, accept deposit from Members or public or others either in advance or calls, or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company not exceeding the aggregate of the paid-up Share Capital of the Company and its reserves. Provided, however, where the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aforesaid aggregate, the Directors shall not borrow such monies without the consent of the Company in a general meeting by means of special resolution.

Conditions on which money may be borrowed 64

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking or the whole or any part of the property of the Company (both present and future).

	Article	
Issue of debentures	65	Any debentures, debenture-stocks, bonds or other securities may be issued at a premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of Shares, appointment of Directors and otherwise, debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that the debentures, debenture stock, bonds or other securities with the right to allotment of the or conversion into Shares shall not be issued except with the consent of the Company in a general meeting or through Postal Ballot subject to provisions of Section 71 of the Act.
Instrument of transfer	66	Except as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
Notice of refusal to register transfer	67	If the Board refuses to register the transfer of any debentures within time limit as may be prescribed, the Company shall send to the transferee and to the transferor, notice of the refusal.

XIV. GENERAL MEETINGS

When annual general meeting to be held	68	The “Annual General Meeting” of the Company shall be held in each calendar year and not more than fifteen (15) months shall elapse between the date of one annual General Meeting of the Company and that of the next.
Extra-ordinary general meeting	68	All general meetings other than annual general meeting shall be called extra-ordinary general meetings.
Calling of a general meeting by circulation	69	The Board may also decide to call a general meeting by adopting a resolution by circulation and the resolution so adopted would be as effective as a resolution adopted at the Board meeting.
Notice of general meeting	71	Save as permitted under Section 101 of the Act, a general meeting of the Company may be called by giving prior notice as may be prescribed either in writing or through electronic mode. Notice of every meeting shall be given to the Members and such other person or persons as required under and in accordance with Section 101 of the Act and it shall be served in the manner authorized by Sections 20 and 101 of the Act and the Rules.

XV. PROCEEDINGS AT A GENERAL MEETING

Ordinary Business and Special Business	72	Subject to the Act, the ordinary business of an Annual General Meeting shall be to receive and consider the financial statements, including consolidated financial statements and the reports of the Directors and the Auditors thereon, to elect Directors in the place of those retiring, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed to be special business.

	Article	
Presence of Quorum	73	(1)No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Quorum for the meeting shall be determined in accordance with Section103 of the Act.
When quorum not present	74	If within half-an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by requisition of Members shall be cancelled, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum is not present within half-an-hour from the time appointed for holding the meeting those Members, who are present and not being less than two (2) shall be quorum and may transact the business for which the meeting was called.
Chairman of the general meeting	76	The Chairman of the Board and in his absence Vice Chairman shall be entitled to take the chair at every general meeting. If there is no such Chairman/Vice Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Directors is present, or if all the Directors present decline to take the Chair, then the Members present shall, on a show of hands or on a poll if properly demanded, elect one (1) of their numbers being a Member entitled to vote, to be the Chairman/Vice Chairman.
Questions at meetings	77	At any general meeting a resolution put to the vote of the meeting shall, unless a poll is demanded under Section109 of the Act or voting is carried out electronically, be decided on a show of hands in accordance with Section 107 of the Act and the Companies (Management and Administration) Rules, 2014.
Demand for poll	79(i)	Subject to the Act, before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by a Member or Members present in person or by Proxy and holding Shares in the Company conferring their powers to vote on such resolution, being Shares which is not less than 1/10 of the total voting power in respect of the resolution or on which the aggregate sum of not less than ₹5,00,000 has been paid-up.
	79(ii)	If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight (48) hours from the time, when the demand was made, and at such place as the Chairman directs and subject as aforesaid, either at once or after an interval or adjournment or otherwise and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
Business may proceed pending poll	79(vi)	The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

	Article	
Chairperson may adjourn the meeting	80(i)	The Chairman of a general meeting may adjourn the general meeting from time to time and from place to place.
Business at adjourned meeting	80(i)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Notice of adjourned meeting not required	80(ii)	Save as otherwise provided in Section 103 of the Act, when the meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting unless the adjournment is for such period or more as may be prescribed in the Act and Rules.
Entitlement to vote on show of hands and on poll	81(i)	Save as hereinafter provided, on a show of hands every Member present in person and being a holder of Equity Shares shall have 1 (one) vote and such other person present, as the Act or Rules thereof may prescribe from time to time being a holder of the Equity Shares or not, shall have 1 (one) vote.
	81(ii)	Save as hereinafter provided, on a poll the voting rights of a holder of Equity Shares shall be as specified in Section 47 of the Act.
	81(iii)	The voting rights of every Member holding preference Shares, if any, shall upon a show of hands or upon a poll be subjected to the provisions, limitations and restrictions laid down in Section 47 of the Act. Provided that no body corporate shall vote by Proxy so long as resolution of its Board under the provisions of Section 113 of the Act is in force and the person named in such resolution is present at the general meeting at which the vote by Proxy is tendered.
Voting through electronic means	81(iv)	A Member may exercise his vote if permitted by the Act and the Rules at a meeting or by postal ballot or by electronic means in accordance with the Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and shall vote only once.
Procedure where a body corporate is a member	82	Where a body corporate (hereinafter called **"Member Company"**) is a Member of the Company, then their representation at the general meeting shall be in accordance with Section 113 of the Act. Such a person so authorized shall be entitled to exercise the same rights and powers, including the right to vote by Proxy on behalf of the Member Company which he represents, as that Member Company could exercise if it were an individual Member.
Votes in respect of shares of deceased insane and insolvent members	83	Any Person entitled under these Articles for transfer of Shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that at least forty eight (48) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he purports to vote he shall satisfy the Board of his right to transfer such Shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any Member is of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, he may vote whether on a show of hands or at a poll, by his Committee, or other legal guardian and any such Committee or legal guardian may, on a poll, give their votes by Proxy.

	Article	
Votes of joint-holders	84	Where there are joint registered holders of any Share, any one of such persons may vote at any general meeting either personally or by Proxy in respect of such Share as if he were solely entitled thereto and if more than one of such joint-holders be present at any general meeting either personally or by Proxy, then one of the said persons so present whose name stands first on the Register in respect of such Share alone shall be entitled to vote in respect thereof.
Votes by proxy	85	Votes may be given by proxy in accordance with the provisions of Section 105 of the Act read with the Companies (Management and Administration) Rules, 2014.
Instrument of appointment of a Proxy	86	The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or if such appointer is a body corporate, be under its seal if any or be signed by an officer or attorney duly authorized by it.
Validity of voting by Proxy	89	A vote given in accordance with the terms of an instrument appointing a Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the Share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the Share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.
Restriction on voting	91	No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, exercised, any right of lien but the Board may by a resolution waive the operation of this Article.
		XVI. DIRECTORS
Board of Directors	93	The number of Directors of the Company shall not be less than three (3) and not more than fifteen (15). Provided that the Company may appoint more than fifteen (15) directors after adopting a special resolution of Members. The composition of the Board will be in consonance with the Act and the Listing Obligations Regulations.
Power to increase or reduce number of directors	96	Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce the number of Directors within the limits fixed by Article 93.
Directors liable to retire by rotation	97	Subject to the Act and these Articles, the Directors not exceeding one-third of the total number of Directors for the time being of the Company shall be liable to retirement by rotation or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. The Independent Directors and any other Director as may be prescribed in the Act or Listing Obligations Regulations shall not be counted in the total number of Directors for this purpose.

Article

Subject to the provisions of Articles 97 and 98 and Section 152 of the Act, all Directors other than the Directors who are not retiring by rotation, additional/alternate/Independent Directors shall be persons whose period of office is liable to determination by retirement by rotation. Neither a nominated Director nor an additional Director appointed by the Board under Article 98 hereof nor an Independent Director shall be liable to retire by rotation within the meaning of this Article. All the Directors who are not retiring except Independent Directors and any other Director as may be prescribed in the Act or Listing Obligations Regulations shall however be counted in determining the number of retiring Directors.

Appointment of additional directors	98	The Board shall have power at any time and from time to time to appoint any person as an additional Director as an addition to the Board but so that the total numbers of Directors should not exceed the limit fixed by these Articles and the Act.
Remuneration and expenses of Directors	99	Subject to the approval of the Board, each Director shall be entitled to receive out of the funds of the Company a fee for attending a meeting of the Board or any other meetings, within the limit permitted, from time to time, by the Act or the Rules made thereunder. The Directors who are neither Managing Director nor Whole-Time Director may be paid a remuneration exclusive of any fees and reimbursement of expenses payable to them for attending meetings etc. which shall not exceed 1 (one) percent or such other higher amount as may be permitted under the Act or Rules thereof, of the net profit of the Company as may be decided by the Board. All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their all travelling, hotel and other expenses incurred in consequence of their attending the Board and other meetings or otherwise incurred in the execution of their duties as Directors or in performing any of the task on behalf of the Company.
Board may act notwithstanding vacancy	101	The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum as fixed by the Articles, the Directors shall not except for the purpose of filling vacancies or for summoning a general meeting as so long as the number is below the minimum.
Vacation of office of director	102	The office of Director shall *ipso facto* become vacant if at any time he commits any of the acts set out in Section167 of the Act.
Office or place of profit of director	103	No director or other person referred to in Section 188 of the Act shall hold an office or place of profit save as permitted by that Section and the Companies (Meetings of Board and its Powers) Rules, 2014.
Conditions under when directors may contract with Company	104	Subject to the provisions of Sections 184, 188 and 192 of the Act and the Rules made thereunder neither shall a Director be disqualified from contracting with the Company whether as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any Shares in or debentures of the Company nor shall any such contract or

Article

agreement entered into by or on behalf of the Company with the relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or director, be void nor shall any director so contracting or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding office or of the fiduciary.

Removal of Director 106

The Company may remove any Director other than directors nominated pursuant to Articles 95 before the expiration of his period of office in accordance with the provisions of Section 169 of the Act and may subject to the provisions of Section 161 of the Act appoint another Person instead of the Director so removed who was appointed by the Company in a general meeting or by the Board under Article 108

Appointment of director to fill a casual vacancy 107

If any Director appointed by the Company in a general meeting vacates office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 107.

XVII. ALTERNATE DIRECTORS

Appointment of alternate director 109

The Board may in accordance with and subject to the provisions of Section 161 of the Act, appoint any Person to act as alternate Director for a Director during the latter's absence for a period of not less than three (3) months from India. No Person shall be appointed as alternate Director to an Independent Director unless he is qualified to be appointed as Independent Director under the provisions of the Act.

XVIII. PROCEEDINGS OF BOARD OF DIRECTORS

When meeting to be convened 110

The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit; provided that a meeting of the Board shall be held as per the provision of the Act, Rules and the Listing Obligations Regulations.

Who may summon Board meeting 111

A Director may, at any time, and the manager or secretary shall, upon the request of a Director made at any time, convene a meeting of the Board and the provisions of Section 173 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 shall apply in this regard.

Who to preside at meetings of the Board 113

The Board may appoint a Chairman of its meetings. The Board may also appoint a Vice Chairman to preside over the meeting of the Board in absence of Chairman. If no such Chairman/Vice Chairman is appointed or if at any meeting of the Board, the Chairman/Vice Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of their member to be the Chairman of such meeting.

Quorum for Board meetings 114

The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within fifteen (15) minutes of the time

Article

appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. The participation of the Directors can be in person or through video conferencing or other audio visual means as may be prescribed by the Companies (Meetings of Board and its Powers) Rules, 2014 or permitted by law.

115 A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under these Articles or the Act for the time being vested in or exercisable by the Board.

Questions at Board meeting how decided

116 Subject to the provisions of Sections of 186(5), 203(3) of the Act and save as otherwise expressly provided in these Articles, questions arising at any meetings shall be decided by a majority of votes

Delegation of powers

117 The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit and may, from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

Proceedings of Committee

118 The meeting and proceedings of such Committee consisting of two (2) or more Directors shall be governed by the regulations made by the Board in that regard in accordance with the provisions, if any, of the Act and the Listing Obligations Regulations.

Acts of Director valid notwithstanding defect of appointment

119 Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had been terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in these Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Passing of resolution by circulation

120 Save in those cases where a resolution is required by Sections 161(4), 179, 182, 184, 186, 188, 203 or any other provision of the Act, to be adopted at a meeting of the Board, a resolution shall be as valid and effectual as if it had been adopted at a meeting of the Board or a Committee of the Board, as the case may be duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee as the case may be, at their address(es) registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or Members, who are entitled to vote on the resolution.

Provided that, where not less than one-third of the Directors of the Company for the time being require that resolution under circulation must be decided at the meeting of the Board, the Chairman shall put the resolution to be decided at a meeting of the Board.

Article

XIX. MINUTES

Minutes to be made 121(a) The Board shall in accordance with the provisions of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, cause minutes to be kept of every general meeting of the Company and of every meeting of the Board or of every Committee of the Board.

121(b) Any such minutes of any meeting of the Board or of any Committee or of the Company in a general meeting, if kept in accordance with the provisions of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, shall be evidence of the matters stated in such minutes. The minute books of general meetings of the Company shall be kept at the Office and shall be open to inspection by Members as per the provisions of the Act or the Rules made thereunder. The minute books of general meetings may also be kept for inspection in electronic mode as prescribed under the Companies (Management and Administration) Rules, 2014.

XX.POWERS OF THE BOARD

General powers of the Company vested in Board 122 Subject to the provisions of the Act and these Articles, the business of the Company shall be managed by or under the direction of the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in a general meeting. Provided further that wherever the Act or any other statute or the Memorandum of the Company or these Articles, provide for exercise of powers by the Board subject to the Members approval in a general meeting, the Board shall exercise such powers only with such approval. In exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in a general meeting, but no regulation made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Specific Powers given to Directors 123 Without prejudice to the general powers conferred by the immediately preceding Article and to any other powers or authority conferred by these presents on the Directors or on the Managing Director, it is hereby expressly declared that the Directors shall subject to the regulations of these presents and to the provisions of the Act and in addition to the powers of the Board provided under Section 179 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, have the following powers, that is to say, power:

a) To carry the agreement into effect;

b) To pay preliminary expenses;

c) To acquire and dispose of property and rights;

d) To pay for property in debenture etc.;

Article

e) To secure contracts by mortgage;
f) To appoint officers etc.;
g) To appoint trustees;
h) To bring and defend actions etc.;
i) To refer to arbitration;
j) To give receipts;
k) To act in matters of bankrupts and insolvents;
l) To authorize acceptance etc.;
m) To appoint attorneys;
n) To invest moneys;
o) To give security by way of indemnity;
p) To give percentage of profits;
q) To make bye laws;
r) To make contracts etc. ;
s) To establish and support charitable objects;
t) To set aside profits for Provident Fund;
u) To make and alter rules;
v) To do other acts;
w) To delegate powers to a Director, officer or employee.

XXI. MANAGING OR WHOLE-TIME DIRECTORS

Appointment of managing director/ whole time director

124 Subject to the provisions of the Act, and of these Articles, the Company in a general meeting or the Board may from time to time appoint one or more of their body to be Managing Director or Managing Directors (in which expression shall be included Joint or Deputy Managing Director) or Whole-time Director or Whole-time Directors of the Company, for such term not exceeding five years at a time and upon such terms and conditions as they may think fit, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Chairman holding the position of the Managing Director and the Chief Executive Officer

125 Subject to the approval of the Board of the Company, the Chairman/Vice Chairman of the Board of the Company can hold the position of the Managing Director and/or the Chief Executive Officer of the Company at the same time.

Managing Director/Whole Time Director not subject to retirement by rotation

126 Subject to the provisions of the Act, and of these Articles, a Managing Director or an Executive Chairman/Whole-time Director may subject to the Shareholders' approval at the time of appointment or reappointment or otherwise continue to hold office not subject to retirement by rotation under Article 107. However, they shall be counted in determining the number of retiring Directors. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to the resignation and removal of the other Directors of the Company and he shall *ipso facto* and immediately cease to be a Managing Director or an Executive Chairman/Whole-time Director if he ceases to hold the office of Director for

Article

any cause, provided that if at any time the number of Directors (including Managing Director or Executive Chairman/Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such Managing Director or Executive Chairman/Whole-time Director, as the Directors shall from time to time select, shall be liable to retirement by rotation in accordance with Article 105 for that period and the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing/Whole Time Directors 127

Subject to the provisions of the Act and of these Articles and of any contract between him and the Company, the remuneration of the Managing Director or Whole-time Director shall from time to time be fixed by the Directors, subject to the approvals of the Members of Company and may be by way of fixed monthly payment or commission on profits of the Company or by participation in such profits or by any or all of these modes or any other mode not expressly prohibited by the Act. A Managing Director or Whole-time Director shall in addition to the above remuneration not be entitled to the fee for attending meetings of Board or Committee.

Powers and Duties of Managing/Whole Time Directors 128

Subject to the provisions of the Act and of these Articles, the Company or the Board may from time to time entrust to and confer upon a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being, such of the power exercisable under these Articles or otherwise by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and condition they may subject to the provisions of the Act and of these Articles confer such powers either collaterally with, or to the exclusion of or in substitution for all, or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

XXIII. KEY MANAGERIAL PERSONNEL

Appointment and Remuneration 131

Subject to Section 203 of the Act, the Board shall appoint a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and such other Officers as Key Managerial Personnel as may be prescribed on such terms and conditions and on such remuneration as may be approved by the Board and may remove them by means of resolution of the Board.

Powers of Key Managerial Personnel. 132

Without prejudice to the general powers or authorities conferred by these presents on Key Managerial Personnel, it is hereby expressly declared that the Key Managerial Personnel shall subject to the regulations of these presents and to the provisions of the Act and in addition to the powers of the Key Managerial Personnel provided under the Act, have the power and authority to represent the Company and to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, things in the name and on behalf of the Company as they may consider expedient or in relation to any of the matters for the purposes of the Company.

Article

XXVI. RESERVES

Reserves	136	The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends, for repairing, improvising or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may, subject to the provisions of the Act invest the several sums so set aside upon investments (other than Shares of the Company) as it may think fit and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company and may divide the reserve into such special funds as the Board thinks fit, with power to employ the reserve or any parts thereof in the business of the Company and that without being bound to keep the same separate from other aspects.
Carry forward of profits	138	The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

XXVII. CAPITALIZATION OF RESERVES

Capitalization of reserves	139	Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserves, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the securities premium account be entitled and distributed among such of the Shareholders as would be entitled to receive the same if distributed by way of dividend and in the proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such Shareholders in paying up in full of any unissued Shares, of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares, or towards both and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalized sum.
Surplus money	140	A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the Members.
Fractional Certificates	141	For the purpose of giving effect to any resolution as mentioned in Articles 140 and 141, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificate, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed for such fractional certificate in order to adjust the rights of all parties and may vest such cash or for such fractional certificates in trustees upon such trusts for the persons entitled to the dividends or capitalized funds as may seem expedient to the Board. Where requisite, a proper contract shall be filled in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalized fund

Article

and such appointment shall be effective.

XXVII. DIVIDENDS

Company in general meeting may declare dividends	142	The Company in a general meeting may declare dividends to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of Section 127 of the Act, fix the time for payment. The dividend declared shall not exceed the amount recommended by the Board, but, the Company in a general meeting may declare a dividend, which is lesser in amount than as recommended by the Board.
Dividends only to be paid out of profits	143	No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act. No dividend shall carry interest against the Company.
Dividends to be pro rata on the paid up amount	144	Subject to the special rights of the holders of preference Shares, if any, for the time being, the profits of the Company distributed as dividend or bonus shall be distributed among the Members in proportion to the amount paid or credited as paid on the Shares held by them, respectively, but no amount paid on a Share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the Share. All dividend shall be apportioned and paid *pro rata* according to the amount paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Shares shall rank for dividend accordingly.
Interim dividends	146	The Board may subject to Section 123 from time to time, pay to the Members such interim dividend or Shares as in its judgment the position of the Company justifies.
Debts may be deducted	147	The Board may retain any dividend payable on Shares on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividend in cash	149	No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on the Shares held by the Members of the Company.

	Article	
Power to retain dividend until transmission is affected	151	The Directors may retain the dividend payable upon Shares in respect of which any Person is under transmission entitled to transfer, until such Person shall become a Member in respect of such Shares or shall duly transfer the same.
Dividend to joint shareholders	153	Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipt for all dividends, bonuses and other payments in respect of such Share.
Payment of dividend	155	All dividend and other dues to Members shall be deemed to be payable at the Office of the Company. Unless otherwise directed, any dividend, interest or other moneys payable in cash in respect of a Share may be paid by any banking channels or cheque or warrant sent through the post to the registered address of the holder, or in the case of joint-holders, to the registered address of that one of the joint-holders who is the first named in the Register in respect of the joint-holding or to such person and at such address as the holder, or joint-holders, as the case may be, may direct.
Unclaimed dividends	156	Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the thirty (30) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend of S.P. Apparels Limited”. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act.
Forfeiture of Dividend	157	The Company agrees that it will not forfeit unclaimed dividend before the claim becomes barred by law and that such forfeiture, when effected will be annulled in appropriate cases.

XXIX. BOOKS AND DOCUMENTS

Inspection by Directors	160(a)	The books of account shall be open to inspection by any Director during business hours in accordance with the applicable provisions of the Act and the Rules.
Restriction on inspection by shareholders	160(b)	The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the books of account and books and documents of the Company, other than those referred to in Articles 122 and 172 or any of them shall be open to the inspection of the Members not being Directors and no Member (not being a Director) shall have any right of inspecting any books of account or books or documents of the Company except as conferred by law or authorized by the Board or by Company in a general meeting.

XXXI. AUDITORS

Accounts to be audited annually	165	Subject to the provisions of the Act, once at least in every year the books of account of the Company shall be audited by one or more auditor or auditors.

	Article	
General provisions of the Act to apply	166	The appointment, powers, rights, remuneration and duties of the auditors shall be regulated by Sections 139 to 146 and Section 148 of the Act and Rules made thereunder.

XXXIII. KEEPING OF REGISTERS AND INSPECTION

Statutory registers	170	The Company shall duly keep and maintain at the Office, Registers, in accordance with Sections 85, 88, 170, 187, 189 and other applicable provisions of the Act and Rules made thereunder in electronic form or in such form and in such manner as may be prescribed under the Act or the Rules.
Supply of copies of Registers	171	The Company shall comply with the provisions of Sections 85, 94, 117, 171, 186 and 189 of the Act and the Rules as to the supplying of copies of the registers, deeds, documents, instruments, returns, certificates, and books etc. herein mentioned to the Persons herein specified when so required by such Persons on payments, where required, of such fees as may be fixed by the Board but not exceeding charges as prescribed by the said Sections of the Act and Rules framed thereunder.
Inspection of Registers	172	Where under any provision of the Act or Rules any Person whether a Member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document (including electronic records) required to be kept or maintained by the Company, the Person so entitled to inspection shall be permitted to inspect the same during such business hours and place as may be determined by the Board under the provisions of the Act and the Rules thereunder.
When registers of members and debenture holders may be closed	173	The Company, after giving appropriate previous notice, subject to the provisions of Section 91 of the Act and Rules made thereunder and the Listing Obligations Regulations, close the Register of Members or the register of debenture holders or the register of security holders, as the case may be, for any period or period as may be prescribed.

XXXVI. WINDING-UP

Distribution of assets	176	Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among Members and not sufficient to repay the whole of the paid-up Share Capital, such assets shall be distributed so that as nearly as may be and the losses shall be borne by the Members in proportion to the paid-up Share Capital at the commencement of the winding-up, on the Shares held by them respectively. And if in a winding-up assets available for distribution among the Members are more than sufficient to repay the whole of the paid-up Share Capital at the commencement of the winding-up, the excess shall be distributed among the Members in proportion to the paid-up Share Capital at the commencement of the winding-up, paid-up or which ought to have been paid-up on the Shares held by them, respectively. But this Article is to be without prejudice to the rights the holders of Shares issued upon special terms and conditions. Preference shareholders shall have prior rights to repayment of capital and dividends due.
Distribution of assets in specie	177	Subject to the provisions of the Act, if the Company shall be wound-up, whether voluntarily or otherwise, the liquidators may, with the sanction of a

Article

special resolution divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefits of the contributories, or any of them, as the liquidators with the like sanction, shall think fit.

XXXVIII. GENERAL POWERS

General Powers under the Article

180 Where any provisions of the said Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorized in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorizes the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, were provided for inspection at the Registered Office and Corporate Office between **10 a.m. and 5 p.m.** on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Additionally, original copies of the consent letters obtained by our Company and referred hereunder have been submitted to the RoC along with a copy of the Red Herring Prospectus.

A. Material Contracts for the Offer

1. Offer Agreement dated December 28, 2015 among our Company, the Selling Shareholder and the BRLMs.

2. Registrar Agreement dated December 24, 2015 among our Company, the Selling Shareholder and the Registrar to the Offer.

3. Escrow Agreement dated July 11, 2016 among our Company, the Selling Shareholder, the BRLMs, the Syndicate Members, the Escrow Collection Banks, the Refund Bank and the Registrar to the Offer.

4. Syndicate Agreement dated July 11, 2016 among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated August 6, 2016 among our Company, the Selling Shareholder and the Underwriters.

6. Share Escrow Agreement dated July 11, 2016 among our Company, the Selling Shareholder and the Escrow Agent.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and the Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated November 18, 2005.

3. Resolutions of the Board dated December 17, 2015 in relation to matters related to the Offer.

4. Resolutions of the Board dated December 28, 2015 approving the Draft Red Herring Prospectus.

5. Resolution of the Shareholders dated December 23, 2015 in relation to the Offer and other related matters.

6. Resolutions of the Board dated July 19, 2016 approving the Red Herring Prospectus.

7. Resolutions of the IPO Committee and the Board dated August 6, 2016 approving this Prospectus.

8. Resolutions of the board of directors of the Selling Shareholder dated July 7, 2015 and June 9, 2016 authorizing the Offer for Sale.

9. Copies of the annual reports of our Company for the Fiscal Years ended March 31, 2016, 2015, 2014, 2013 and 2012.

10. The examination reports of the Statutory Auditors dated June 6, 2016, on the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements included in this Prospectus.

11. The Statement of Tax Benefits dated June 6, 2016 from the Statutory Auditors.

12. Consent of the Selling Shareholder, our Directors, the BRLMs, the legal Advisers to our Company as to Indian law, the statutory auditor of our Subsidiary, CPPL, the Registrar to the Offer, the Bankers to our Company, lenders to our Company or the Subsidiaries (in each case where such consent is required), our Company Secretary and Compliance Officer and the Chief Financial Officer, the Syndicate Members, the Bankers to the Offer, and Technopak, the industry consultant, in their respective capacities.

13. Report titled "Global Apparel Industry India's Apparel Exports and Domestic Apparel Market" dated December 10, 2015, prepared by Technopak.

14. Consent of Deloitte Haskins & Sells, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditor on the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements, each dated June 6, 2016, and statement of tax benefits dated June 6, 2016.

15. Copy of the resolutions of the Board and the Shareholders dated August 28, 2015 and September 30, 2015 in relation to appointment of Mr. P. Sundararajan as the Managing Director of our Company.

16. Due Diligence Certificate dated December 28, 2015 addressed to the SEBI from the BRLMs.

17. In-principle listing approvals dated January 8, 2016 and January 29, 2016 issued by the BSE and the NSE, respectively.

18. Tripartite Agreement dated April 19, 2007 among our Company, NSDL and the Registrar to the Offer.

19. Tripartite Agreement dated December 21, 2015 among our Company, CDSL and the Registrar to the Offer.

20. Annual Reports of CPPL for the Fiscal Years 2016, 2015 and 2014.

21. Share Subscription and Shareholders' Agreement among our Company, the Promoters and our Selling Shareholder dated October 26, 2006 and as amended pursuant to the Amendment Agreement dated December 23, 2015.

22. Investment Agreement dated March 18, 2013 between Euro Asia Agencies Limited and our Company.

23. Share Transfer Agreement dated May 24, 2006 among Shivarams Associates Private Limited, Venkatesh Sivaraman, our Company and CPPL.

24. Memorandum of Understanding dated May 24, 2006 among CIPL, CPPL, Shivarams Associates Private Limited and our Company.

25. Slump Sale Agreement dated July 31, 2015 between our Company and Poornam Enterprises Private Limited.

26. Sub-License Agreement dated March 31, 2015 between our Company and CPPL.

27. Valuation report dated March 5, 2016 by SSKT and Company, Chartered Accountants in relation to Slump Sale Agreement dated July 31, 2015 between our Company and Poornam Enterprises Private Limited.

28. Certificate dated June 14, 2016 by SSKT and Company, Chartered Accountants.

29. 44 quotations from 33 vendors in relation to enhancing of spinning capacity, setting up a knitting unit, civil works and other ancillary equipment for the expansion of our manufacturing facility at Valapady, Salem, Tamil Nadu.

30. Observation letters from the SEBI dated January 29, 2016 and April 15, 2016.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. P. Sundararajan *(Chairman and Managing Director)*	**Mrs. S. Latha** *(Director)*
Mr. S. Chenduran *(Director)*	**Mr. V. Sakthivel** *(Director)*
Mr. Srinivas Chidambaram *(Director)*	**Mr. P. Yesuthasen** *(Director)*
A.S. Anandkumar *(Director)*	**G. Ramakrishnan** *(Director)*

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. V. Balaji *(Chief Financial Officer)*

Date: August 6, 2016
Place:

DECLARATION

We, New York Life Investment Management India Fund (FVCI) II LLC, hereby certify that all statements made by us in this Prospectus about or in relation to us, and the Equity Shares offered by us by way of the Offer for Sale pursuant to the Offer, are true and correct. New York Life Investment Management India Fund (FVCI) II LLC assumes no responsibility for any other statements in this Prospectus.

Signed for and on behalf of New York Life Investment Management India Fund (FVCI) II LLC

Date: August 6, 2016

Place: