



S.P.APPARELS LTD.



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Web : www.s-p-apparels.com CIN No.: L18101TZ2005PLC012295

28th July 2021

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

Symbol: SPAL

Dear Sirs,

Sub: Clarification for Financial Results

Ref: Your mail dated 22.07.2021

As per your mail dated 22.07.2021 and telecon we had with Mr.Priyesh on 23.06.2021 we noted your observations. We understood that the note on balancing figure of standalone Profit and Loss Account is not as per Reg 33(3)(e). Now note no. 06 of the standalone profit and loss account is modified in line with Reg 33(3)(e) and enclosed with this covering letter for your reference.

We humbly request you to take note of the same.

Thanking you,

For S.P.Apparels Limited,

K.Vinodhini
Company Secretary and Compliance Officer

Encl: As above

See accompanying notes to the Financial Results

Notes:

1. The above audited standalone financial results for the quarter and twelve months ended March 31, 2021 have been reviewed by the Board of Directors at their meeting held on June 21, 2021.
2. This statement has been prepared in accordance with the recognition principle laid down in Indian Accounting Standards 34 "Interim Financial Reporting" [IND AS 34], prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.
3. The company operates in one segment (i.e.,) Textile business, which in the context of Indian Accounting standard (IND AS)108 - operating segment, is considered as the only reportable operating segment of the company.
4. Effective 01.04.2019, the Company has adopted Ind AS 116-leases, applied to its existing lease contracts on April 1, 2019 using the modified retrospective approach.
5. Pursuant to the amendment in the Income Tax Act, 1961 effective 20.09.2019, which provides for an option to Domestic Companies to pay Income Tax at reduced rates, the current tax expenses of the Company reduced by Rs.40.18 Million and the deferred tax income of the company increased by Rs.128.31 Million for the year ended March 31, 2020.
6. The results for the quarter ended March 31, 2021 are the balancing figures between standalone audited figures of the twelve months ended March 31, 2021 and the published unaudited results of nine months ended December 31, 2020 of the current financial year were subjected to limited review.
7. Government of India vide press release dated December 31, 2020 introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from January 01, 2021. With the introduction of the RoDTEP scheme, the benefit of ROSCTL scheme stood withdrawn with effect from January 01, 2021. Considering that the rates of RoDTEP are yet to be notified, the Company has not accrued income relating to benefits of RoDTEP scheme for the period January 01, 2021 to March 31, 2021. To this extent the results of the Quarter and year ended March 31, 2021 are not comparable
8. Exceptional item relates to Merchandise Export from India Scheme (MEIS) export incentive accounted as income in earlier quarters which was derecognized in the Quarter ended December 31, 2019 in order give effect to Notification dated January 14, 2020 of Ministry of Textiles withdrawing MEIS retrospectively from March 07, 2019.
9. As per interim directions given by Supreme court in relation to WRIT PETITION (C) DIARY No. 10883 OF 2020 dated June 12, 2020, Company has negotiated & entered into settlement with the employees for non-payment of salary during factory lockdown period from April 01, 2020 to May 11, 2020. The Company have communicated their steps to the employees and there have been no denial from employees.
10. Due to the second wave of spreading of COVID -19 across India, the State Government of Tamil Nadu announced a lockdown in the months of April 2021 till June 2021, [the Company suspended operation across various locations during complete lockdown days], which was extended with various restrictions to contain the spread of the virus. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventory and other current / non-current assets (net of provisions established) for any possible impact on the standalone financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the carrying amount of the assets will be recovered and no material adjustments is required in the preparation of standalone financial results. The Management believes that the Company will not have any challenge in meeting its financial obligations for the financial year 2021-22. In this regard, the Company will continue to closely monitor any material changes to future economic conditions
11. The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020, which could impact the contributions by the company towards Provident Fund, Gratuity and other social security. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in period of notification of the relevant provisions.
12. Events after reporting period : The board has recommended a final dividend of 22.5% [INR 2.25/- per share of the face value of INR 10/- each] for the year 2020-21 subject to the approval of the Shareholders in the Annual General Meeting.
13. Previous period figures have been regrouped / reclassified, wherever necessary, to confirm to the current period classification / presentation.

For S.P.Apparels Limited

[Signature]

P.Sundararajan
Managing Director
DIN : 00003380

V.Balaji
Chief Financial Officer

Place : Chennai

Date : June 21, 2021

Place : Avimashi

Date : June 21, 2021

