

This is an abridged prospectus containing salient features of the Red Herring Prospectus dated July 19, 2016 (the “RHP”).
You are encouraged to read greater details available in the RHP.

THIS ABRIDGED PROSPECTUS CONTAINS SIX PAGES OF ABRIDGED PROSPECTUS AND FOUR PAGES OF APPLICATION FORM ALONG WITH INSTRUCTIONS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

You may obtain a physical copy of the Bid cum Application Form and the RHP from Stock Exchanges, Syndicate Members, Registered Brokers, Collecting Depository Participants, Registrar to the Offer, Registrar and Share Transfer Agents, Underwriters, Bankers to the Offer and Self Certified Syndicate Banks. You may also download the RHP from the websites of the Securities and Exchange Board of India (the “SEBI”), the Book Running Lead Managers (“BRLMs”) and the stock exchanges where the Equity Shares are proposed to be listed (“Stock Exchanges”) i.e. www.sebi.gov.in, www.motilaloswalgroup.com, www.centrum.co.in, www.nseindia.com and www.bseindia.com, respectively. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.



S.P. APPARELS LIMITED

Registered Office and Corporate Office: 39-A, Extension Street, Kaikattipudur Avinashi 641 654, Tirupur District, Tamil Nadu, India

Contact Person: Ms. K. Vinodhini, Company Secretary and Compliance; **Tel:** +91 4296 304000; **Fax:** +91 4296 304280

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

OFFER DETAILS LISTING AND PROCEDURE

THIS IS AN INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE “EQUITY SHARES”) OF S.P APPARELS LIMITED (“COMPANY”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE “OFFER PRICE”) AGGREGATING UP TO ₹[●] MILLION CONSISTING OF A FRESH ISSUE OF UPTO [●] 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 ₹[●] MILLION (“OFFERED SHARES”) 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 [●]% 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 PRICE BAND, ANY RETAIL DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE “BRLMS”), AND WILL BE 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 OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT WILL BE MADE AVAILABLE TO THE BSE LIMITED (THE “BSE”) AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE “NSE”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.*

*Discount of ₹[●] to the Offer Price may be offered to Retail Individual Investors (the “Retail Discount”).

Procedure:

If you wish to know about processes and procedures applicable to public issues, you may request for a copy of the General Information Document from the BRLMs or download it from the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, and the websites of BRLMs at www.motilaloswalgroup.com and www.centrum.co.in.

ELIGIBILITY FOR THE ISSUE – Regulation 26(1) of SEBI ICDR Regulations

Whether the Company is compulsorily required to allot at least 75% of the net Offer to Qualified Institutional Buyers – No

INDICATIVE TIMELINE

Bid/Offer Opening Date*	August 2, 2016	Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds from ASBA Account]	On or about August 10, 2016
Bid/Offer Closing Date**	August 4, 2016	Credit of Equity Shares to demat accounts of Allottees	On or about August 11, 2016
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about August 9, 2016	Commencement of trading of the Equity Shares on the Stock Exchanges	On or about August 12, 2016

* Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

** Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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 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 the Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” on page 14 of the RHP and “Internal Risk Factors” on page 7 of this Abridged Prospectus.

PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLMS

Issue Name	Name of the Merchant Banker	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
Pennar Engineered Building Systems Ltd.	Motilal Oswal	-5.93% [5.16%]	-10.65% [-2.25%]	-17.39% [-4.22%]
Power Mech Projects Limited	Motilal Oswal	-9.36% [0.98%]	-0.82% [1.18%]	-10.65% [-7.15%]
Parag Milk Foods Limited	Motilal Oswal	17.19% [4.83%]	NA	NA
Adlabs Entertainment Limited	Centrum Capital	-18.36%, [-3.87%]	-12.08%, [-2.02%]	-38.39%, [-8.19%]

Source: www.bseindia.com and www.nseindia.com

Notes:

1. Information provided for immediate prior trading date in case of holidays.
2. Nifty is considered as the benchmark index.

Names of Book Running Lead Manager(s) and contact details (telephone and email id) of each BRLM

Motilal Oswal Investment Advisors Private Limited Tel: +91 22 3980 4200 E-mail: spapparels.ipo@motilaloswal.com Investor Grievance E-mail: moiaplredressal@motilaloswal.com	Centrum Capital Limited Tel: +91 22 4215 9000 E-mail: spapparels.ipo@centrum.co.in Investor Grievance E-mail: igmbd@centrum.co.in
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Names of Syndicate Members	Motilal Oswal Securities Limited, Centrum Broking Limited
Registrar to the Offer	Link Intime India Private Limited Tel: +91 40 6716 5400 E-mail: spal.ipo@linkintime.co.in Investor grievance E-mail: spal.ipo@linkintime.co.in
Name of Statutory Auditor	Deloitte Haskins & Sells, Chartered Accountants

Self-Certified Syndicate Banks: The list of banks is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For list of branches of the SCSBs named by the respective SCSBs to collect the ASBA Forms please refer to the above-mentioned link.

Non Syndicate Registered Brokers : You can submit Bid cum Application Forms in the Offer to non-syndicate Registered Brokers at the non-syndicate Broker Centres. For further details, see the section “Offer Procedure” on page 363 of the RHP.

Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor : The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations and the list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is 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, as updated from time to time. For further details, see the section “Offer Procedure” on page 363 of the RHP.

PROMOTERS OF OUR COMPANY

Mr. P. Sundararajan, aged 60 years, is the Chairman and Managing Director of our Company. He 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.

Mrs. S. Latha, aged 52 years, is an Executive Director of our Company. She has approximately 24 years of experience in the textile and apparel industry. She is currently a director of Crocodile Products Private Limited and a partner in the partnership firm, S.P. Lifestyles.

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 the RHP. For avoidance of doubt, it is clarified that our Subsidiaries shall not be considered as Group Entities.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

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 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)*. 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, Crocodile Products Private Limited ("CPPL"). We have two Subsidiaries, CPPL and S.P. Apparels (UK) (P) Limited. CPPL is a joint venture between our Company and Crocodile International Pte. Ltd. ("CIPL").

Our Competitive Strengths: •Key customer base with reputed international brands •Leading manufacturer for export of knitted garments for infants and children in India •Ability to set-up units integrated with our operations •Specialization in the manufacture of garments for infants and children •Strong in-house design, testing, fitment and quality inspection facilities •Experienced management team

Our Strategies: •Enhancing existing capacities and improving operational efficiencies •Deepening our product penetration with existing customers and increasing our customer base •Strengthening our Retail presence •Invest in infrastructure and technology

BOARD OF DIRECTORS

S.No.	Name	Designation	Experience including current / past position held in other firms
1	Mr. P. Sundararajan	Chairman & Managing Director	He has approximately 31 years of experience in the industry in which our Company operates.
2	Mrs. S. Latha	Executive Director	She has approximately 24 years of experience in the industry in which our Company operates.
3	Mr. S. Chenduran	Whole-time Director	He has approximately 3 years of experience in the industry in which our Company operates.
4	Mr. V. Sakthivel	Independent Non-Executive Director	He has approximately 40 years of experience in the fields of commerce and accountancy. He has worked with Thriveni Earth Movers Private Limited. Appointed on our Board on January 30, 2006.
5	Mr. Srinivas Chidambaram	Nominee, Non-Executive Director	He has approximately 26 years of experience in the fields of financial services and investment related activities. He is currently a Managing Director at Jacob Ballas Capital Private Limited. Appointed on our Board on November 15, 2006.
6	Mr. P. Yesuthasen	Independent Director	He has approximately 40 years of experience in banking. Appointed on our Board on August 28, 2015.
7	Mr. A.S. Anandkumar	Independent Director	He has approximately 43 years of experience in banking. Appointed on our Board on November 13, 2015.
8	Mr. G. Ramakrishnan	Independent Director	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 on our Board on November 13, 2015.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale by the Selling Shareholder. **Fresh Issue:** The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No.	Particulars	Amount (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	-	-
2.	Expansion and modernization of our manufacturing facility at Valapady, Salem, Tamil Nadu	701.60	280.70	350.74	70.16
3.	Opening of new stores for the sale of 'Crocodile' brand products	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	-	-
5.	General corporate purposes*	[●]	[●]	[●]	[●]
Total		[●]	[●]	[●]	[●]

* To be finalised upon determination of Offer Price

Shareholding Pattern:

S. No.	Particulars	Pre Offer number of Shares	% Holding of Pre Offer
1	Promoter & Promoter Group	15,000,000	87.49
2	Public	2,145,212	12.51
3	Non-Promoter & Non Public Shareholding	-	-
	Total	17,145,212	100.00

Number of Equity Shares proposed to be sold by Selling Shareholders:

S. No.	Name of the Selling Shareholder	Number of Equity Shares Offered
1	NYLIM India Fund II	900,000

RESTATED AUDITED FINANCIALS

Consolidated (₹ in million)	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Total Revenue from Operations (Net)	5,328.25	4,725.66	4,508.72	4,285.03	4,006.09
Net Profit/(Loss) before tax	448.64	244.25	118.72	41.39	45.85
Net Profit/(Loss) after tax	347.14	100.48	66.67	23.64	97.07
Share capital	371.45	440.49	440.49	368.00	368.00
Reserves and surplus	955.68	592.73	503.39	436.73	413.09
Net worth	1,327.13	1,033.22	943.88	804.73	781.09
Basic earnings per share (₹)	17.15	5.52	3.97	1.41	5.78
Diluted earnings per share (₹)	17.15	5.40	3.89	1.41	5.78
Return on net worth (%)	30.80%	13.21%	9.93%	3.91%	16.70%
Net asset value per share (₹)	65.72	45.28	39.96	36.00	34.59

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Standalone (₹ in million)	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Total Revenue from Operations (Net)	5,368.80	4,757.78	4,521.11	4,292.94	4,012.09
Net Profit/(Loss) before tax	481.21	254.90	125.64	52.21	68.23
Net Profit/(Loss) after tax	373.58	109.17	71.51	31.41	118.32
Share capital	371.45	440.49	440.49	368.00	368.00
Reserves and surplus	1,113.09	723.44	624.65	553.14	521.73
Net worth	1,484.54	1,163.93	1,065.14	921.14	889.73
Basic earnings per share (₹)	18.70	6.03	4.26	1.87	7.04
Diluted earnings per share (₹)	18.70	5.91	4.17	1.87	7.04
Return on net worth (%)	29.08%	12.25%	9.02%	4.36%	17.15%
Net asset value per share (₹)	74.92	53.06	47.18	42.93	41.06

INTERNAL RISK FACTORS

The below mentioned risks are top five risk factors as disclosed in the RHP:

1. We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business.
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
3. Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.
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.
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.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. *Total number of outstanding litigations against our Company and amount involved:*

Nature of the Cases	No. of Cases Outstanding	Amount involved (in ₹ Million)
Civil Proceedings	4	Not Quantifiable
Criminal Proceedings	2	22.70
Tax Matters	10	39.11

B. *Brief details of the top material outstanding litigations against our Company and amount involved:*

Sr No.	Particulars	Litigation Filed By	Current status	Amount Involved (in ₹ Million)
1	Application filed (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 under Section 166 of the Motor Vehicles Act.	Ms. Leelavathi, Ms. A. Dhanalakshmi and Ms. S. Latha	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 August 10, 2016.	0.8

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

Sr No.	Particulars	Litigation Filed By	Current status	Amount Involved (in ₹ Million)
2	Separate applications filed 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 under Section 166 of the Motor Vehicles Act.	Ms. Ramya, Ms. Kalpana, Mr. Balachander, Ms. Manimehalai, Ms. Nalini, Ms. Bhuvaneshwari, Ms. Rukkumani, Mr. Rabiya, Ms. Misiriya, Ms. Merry, Ms. Saroja, Mr. Sundaram, Ms. Saranya, Mr. Shanmugavalli, Ms. Seetha, Ms. Nandini and Mr. Manivel	The matter is currently pending and the next date of hearing is August 12, 2016.	21.90
3	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) has been filed against CIPL and our Subsidiary 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.	La Chemise Lacoste and Sports and Leisure Apparel Limited	The matter is currently pending before the High Court of Delhi.	Not quantifiable

C. No regulatory or disciplinary action has been taken by the SEBI or the Stock Exchanges against our Promoters/ Group Companies in the last five financial years.

D. There are no outstanding criminal proceedings against our Promoters.

ANY OTHER IMPORTANT INFORMATION AS PER BRLM/ISSUER COMPANY - NIL

DECLARATION BY THE COMPANY

We hereby declare and certify that all relevant provisions of the Companies Act (including the rules made thereunder) and the rules, regulations, and guidelines issued by the Government or the SEBI (as the case may be) have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act, or the rules, regulations, and guidelines issued thereunder (as the case may be). We further certify that all the statements and disclosures in the Red Herring Prospectus are true and correct.

DECLARATION BY THE SELLING SHAREHOLDER

The Selling Shareholder hereby declares and certifies that all statements made, and undertakings provided, in the Red Herring Prospectus about or in relation to it, as a Selling Shareholder and the Equity Shares being offered by it by way of Offer for Sale pursuant to the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statements in this Red Herring Prospectus.

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