

SPICE ISLANDS INDUSTRIES LIMITED

(Earlier known as Spice Islands Apparels Limited)

Regd. Office: Unit No. 3043-3048, 3rd Floor, Bhandup Industrial Estate, Pannalal Silk Mills
Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

Tel.: +91 (22) 6740 0800, 2282 3128 Fax: +91 (22) 22826167, Email-id: sales@spiceislandsindia.com

CIN NO: L35101MH1988PLC050197

Date: July 25, 2024

To
The Manager (Listing)
Bombay Stock Exchange Ltd.,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001

Script Code: 526827

Sub: Annual Report 2023-24

Dear Sir/Madam,

We are enclosing herewith copy of our Annual Report for the financial year ended March 31, 2024, for your perusal and record

Thanking you,

Yours faithfully

For Spice Islands Industries Limited

Arti Lalwani Digitally signed by Arti Lalwani
Date: 2024.07.25 17:54:21
+0530'

(Arti Lalwani)
Company Secretary and Compliance Officer
Membership no. A59871

Place: Mumbai

SPICE ISLANDS INDUSTRIES LIMITED
(PREVIOUSLY KNOWN AS SPICE ISLANDS APPARELS LTD.)

36th
ANNUAL REPORT
2023-2024

36th ANNUAL REPORT : 2023-24

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36th ANNUAL GENERAL MEETING
on 19th August, 2024 at 11.30 a.m.

VIA TWO-WAY VIDEO
CONFERENCING ('VC') FACILITY OR
OTHER AUDIO VISUAL MEANS ('OAVM')

36th ANNUAL REPORT : 2023-24

BOARD OF DIRECTORS

Chairman / Independent Director
MS. SHIKHA SETHIA BHURA

Whole-time Director
MR. SANDEEP JAMNADAS MERCHANT

Independent Director
MR. SHIVANAND RAMA HEMMADY

Additional Independent Director
MR. KALPESH THAKORBHAI MISTRY

Executive Director Finance
MR. FARAAZ IRFAN CHAPRA

Executive Director Finance
MR. CHIRAG CHANDULAL RAJAPOPAT

Chief Financial Officer
MR. FARAAZ IRFAN CHAPRA

Chief Executive Officer
MR. DHAVAL GIRISH CHHEDA

Company Secretary And Compliance Officer
MS. ARTI LALWANI

Bankers
BANK OF BARODA

Statutory Auditors
**SACHIN PHADKE & ASSOCIATES
(CHARTERED ACCOUNTANTS)**

Secretarial Auditor
ALOK KHAIRWAR & ASSOCIATES

Internal Auditor
P. D. CHOPDA & CO

REGISTERED OFFICE AND FACTORY

Unit 3043-3048, 3rd Floor, Bhandup Industrial Estate, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W), Mumbai - 400 078.

Tel: 022-67400800

Corporate Identification Number : L35101MH1988PLC050197

WEBSITE : www.spiceislandsapparelslimited.in

Tel.: 022 67400800 , Email :sales@spiceislandsindia.com

FOR LODGING INVESTOR GRIEVANCES:

grievance_redressal@spiceislandsindia.com

REGISTRAR & SHARE TRANSFER AGENT LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, L B S Marg, Vikhroli West,
Mumbai – 400 083

Ph.: 022- 4918 6000 Fax : 022- 4918 6060

E-mail : mumbai@linkintime.co.in

Website :www.linktime.co.in

Notice of Annual General Meeting

SPICE ISLANDS INDUSTRIES LIMITED

(Previously Known as Spice Islands Apparels Ltd)

Unit 3043-3048, 3rd Floor, Bhandup Industrial Estate,
Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (W), Mumbai - 400 078.

Corporate Identification Number : L35101MH1988PLC050197

[Website: www.spiceislandsapparelslimited.in](http://www.spiceislandsapparelslimited.in)

Tel.: 022 - 6740 0800 • Email: sales@spiceislandsindia.com

Notice of 36th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTY SIXTH (36th) ANNUAL GENERAL MEETING OF THE MEMBERS OF SPICE ISLANDS INDUSTRIES LIMITED (EARLIER KNOWN AS SPICE ISLANDS APPARELS LIMITED) WILL BE HELD ON MONDAY, 19TH DAY OF AUGUST, 2024 AT 11.30 A.M. (IST) VIA TWO-WAY VIDEO CONFERENCING ('VC') FACILITY OR OTHER AUDIO VISUAL MEANS ('OAVM') TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2024 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sandeep Jamnadas Merchant (DIN 05210128) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Giriraj Bang & Co, Chartered Accountants (FRN: 129434W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 41st Annual General Meeting, at such remuneration and reimbursement of out of pocket expenses as may be determined by the Audit Committee and Board of Directors of the Company.”

SPECIAL BUSINESS:

4. Appointment of Mr. Kalpesh Thakorbbhai Mistry (DIN: 07599056) as an Independent Director:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. Kalpesh Thakorbbhai Mistry (DIN: 07599056), who was appointed as an Additional Director (in the capacity of an Independent Director) of the Company by the Board of Directors with effect from July 03, 2024 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of an Independent Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years i.e., from July 03, 2024 upto July 02, 2029.

Notice of Annual General Meeting

RESOLVED FURTHER THAT any of the director of the Company or the Company Secretary of the Company, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

5. Issue of Warrants Convertible into Equity Shares to the Proposed Allottees, on a Preferential Basis

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the “Act”), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “SEBI ICDR Regulations”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to date (the “Listing Regulations”), and subject to any other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (“MCA”), the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) and/or any other competent authorities (hereinafter referred to as “Applicable Regulatory Authorities”) from time to time to the extent applicable and enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority including BSE Limited (“Stock Exchange”), MCA and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board of Director (the “Board”) of the Company in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, in one or more tranches, up to [2213322] (Twenty Two Lakhs Thirteen Thousand Three Hundred and Twenty Two Only) convertible warrants (“Warrants”), at a price of ₹ 45/- (Rupees Forty Five Only) per warrant, aggregating upto ₹ 9,95,99,490/- (Rupees Nine Crore Ninety Five Lakhs Ninety Nine Thousand Four Hundred Ninety Only) (“Total Issue Size”), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value ₹ 10.00/- (Rupees Ten only), each at a premium of ₹ 35/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity enlisted below (“Warrant Holder”/ “Proposed Allottees”) belonging to promoter group and non-promoter group of the Company on a preferential basis (“Preferential Issue”), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws in this respect:

Sr. No.	Name of Proposed Allottees	Category (Promoter/Non -Promoter)	Maximum number of Convertible Warrants proposed to be allotted
1.	Dhanik Food & Beverages Pvt Ltd	Non-Promoter	344444
2.	Dhaval Girish Chheda	Non-Promoter	44444
3.	Bhanuben Girish Chheda	Non-Promoter	44444
4.	Pinal Dhaval Chheda	Non-Promoter	44444
5.	Girish Keshavji Chheda	Non-Promoter	44444
6.	Faraaz Chapra	Non-Promoter	166666

Notice of Annual General Meeting

Sr. No.	Name of Proposed Allottees	Category (Promoter/Non -Promoter)	Maximum number of Convertible Warrants proposed to be allotted
7.	Irfan Chapra	Non-Promoter	277777
8.	Reshma Chapra	Non-Promoter	333333
9.	Shifa Chapra	Non-Promoter	55555
10.	Saniya Chapra	Non-Promoter	55555
11.	Mubina Sofia	Non-Promoter	55555
12.	Aliya Chotani	Non-Promoter	22222
13.	Sarla Dinesh Gada	Non-Promoter	33333
14.	Kunal Ranjit Jain	Non-Promoter	11111
15.	Pallavi Sharma	Non-Promoter	11111
16.	Amit Omprakash Sharma	Non-Promoter	24444
17.	Nasreen Rangoonwala	Non-Promoter	55555
18.	Noman Rangoonwala	Non-Promoter	55555
19.	Ruksar Rangoonwala	Non-Promoter	55555
20.	Salim Mohd Hussain Shaikh	Non-Promoter	11111
21.	Shriyuth Chabbariya	Non-Promoter	88888
22.	Rishab Mukesh Sharma	Non-Promoter	111111
23.	Anazaar Khan	Non-Promoter	33333
24.	Rashid Rangoonwala	Non-Promoter	55555
25.	Manju M Sharma	Non-Promoter	55555
26.	Pankaj Kumar Jain	Non-Promoter	111111
27.	Yasir Babar Wani	Non-Promoter	11111
	Total		2213322

RESOLVED FURTHER THAT the Relevant Date for the purpose of calculating floor price for the issue of warrant is Friday, July 19, 2024 the date that is 30 (Thirty) days prior to the date of shareholders meeting or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date i.e. Monday, August 19, 2024, as stipulated in the Regulation 161 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company to the allottees within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or exchanges or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- i. The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company. The Warrants

Notice of Annual General Meeting

may be exercised into Equity Shares as aforesaid by the Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Warrants.

- ii. Warrant subscription price equivalent to 25% (i.e., the upfront amount) of the issue price will be payable at the time of subscription to the Warrants, as prescribed by Regulation 169 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Warrant holder(s) at the time of exercising the Warrants.
- iii. The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- iv. The respective Warrant Holders shall make payment of Warrant Subscription Price and Warrant Exercise Price from their own bank account into the designated bank account of the Company and in the case of joint holders, shall be received from the bank account of the person whose name appears first in the application.
- v. In the event the Warrant holder(s) does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- vi. The Warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of SEBI ICDR Regulations.
- vii. The Warrants by itself, until exercised and converted into Equity Shares, shall not give to the Warrant Holders thereof any rights with respect to that of an Equity shareholder of the Company.

RESOLVED FURTHER THAT the pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company shall also be subject to lock-in as per the provisions of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) or modify the terms of issue of Warrants, subject to the provisions of the Act and SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the allottees and issue a private placement offer cum application letter in the Form PAS-4 to the allottees inviting to subscribe to the Warrants in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary,

Desirable and expedient for such purpose to give effect to the above resolution, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the above mentioned Preferential offer (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), making applications to Stock Exchange for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, Chandigarh ("ROC"), National Securities Depository Limited ("NSDL"), Central Depository Services (India) Limited ("CDSL") and/ or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the

Notice of Annual General Meeting

admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants / Shares to the respective dematerialized securities account of the Warrant Holders and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilization of proceeds of the Warrants or Equity Shares take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s)/Company Secretary / any Officer(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolution is hereby approved, ratified and confirmed in all respects.”

**By order of the Board of Directors,
For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)**

Sd/-

Arti Lalwani
Company Secretary and Compliance Officer
Membership no. A59871

Place : Mumbai
Date : July 23, 2024

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1. Pursuant to the General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 21/2021 dated December 14, 2021 and 02/2022 dated May 05, 2022 and 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”), companies are allowed to hold AGM through Video Conference (‘VC’), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No.20/2020 dated 05.05.2020, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI / HO / CRD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 issued by the Securities Exchange Board of India (“SEBI Circular”).
2. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available. Hence proxy form and attendance slip are not annexed to this notice.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body resolution/authorization etc., authorizing their representative to attend the 36th AGM through VC /OAVM on its behalf and to vote through remote e-voting. The said resolution/ authorization shall be sent to the Scrutinizer by email through its registered email address to csalokkhairwar@gmail.com and may also upload the same at evoting@cdslindia.com.
5. The register of members and share transfer books of the Company will remain closed from Tuesday, August 13, 2024 and ends on Monday, August 19, 2024 (both days inclusive) for the purpose of 36th AGM of the Company.
6. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
7. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on Monday, August 12, 2024, being Cut-off Date.
8. The Board of Directors has appointed M/s Alok Khairwar & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer to scrutinize the e-voting process via remote e-voting and e-voting at the 36th AGM in a fair and transparent manner and he has consented to act as scrutinizer.
9. The facility of joining the 36th AGM through VC/ OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 36th AGM and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
10. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 36th AGM of the Company.
11. In terms of Sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards’ report, and etc. by electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the 36th AGM

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along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for FY 2023 - 24 will also be available on the Company's website <http://www.spiceislandsapparelslimited.in/>, website of the Stock Exchange and RTA i.e. BSE Limited (www.bseindia.com) and CDSL (www.evotingindia.com).

12. Further, those Members who have not registered their email addresses may temporarily get themselves registered with Company's Registrar and Share Transfer Agent, Link Intime India Private Limited ("RTA") by clicking the link: www.linktime.co.in for receiving the Annual Report for FY 2023-24 also containing Notice of the AGM.
13. The Company has been maintaining, inter alia, the following statutory registers at its registered office.
 - i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.
14. Members are requested to address all the correspondences, to the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited, "C-101, 247 Park, LB S Marg, Vikhroli West, Mumbai — 400 083.
15. Members whose shareholding is in electronic mode are requested to direct change of address notification and updates on bank account details, if any, to the respective depository participants.
16. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the communications via email.
17. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members holding shares in electronic mode who have not got their e-mail addresses updated with the DP are requested to update their e-mail address and any changes therein. Members holding shares in physical mode are requested to update their e-mail address/mobile number, quoting their folio number, to our Registrar and Share Transfer Agent, viz., M/s. Link Intime India Private Limited, (Unit: Spice Islands Industries Limited), ("RTA") in the URL www.linktime.co.in or by writing to them at "C-101, 247 Park, LB S Marg, Vikhroli West, Mumbai — 400 083, or by e-mail to mumbai@linkintime.co.in.
18. Since the 36th AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. The Company is also releasing a public notice by way of advertisement being published in English in The Free Press Journal and in vernacular language (Marathi) in Navshakti.
20. For the purpose of dispatch of this Notice, Shareholders of the Company holding shares either in physical form or in dematerialized form as on Friday, July 19, 2024 have been considered.
21. Notes for E-voting:
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 - ii. The voting period begins on Friday, August 16, 2024 (9:00 A.M.) and ends Sunday, August 18, 2024 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or

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in dematerialized form, as on the cut-off date (record date) of Monday, August 12, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The remote e-voting shall not be allowed beyond 5.00 PM on Sunday, August 18, 2024. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- iii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- iv. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.spiceislandsapparelslimited.in>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- v. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use “Forgot User ID” and “Forgot Password” option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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- (i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

For Physical shareholders and other than individual shareholders holding shares in Demat.	
Dividend Bank Details OR Date of Birth (DOB)	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN <240723004> for the relevant <Spice Islands Industries Ltd > on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details. (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; khedekar@spiceislandsindia.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions for Members attending the AGM through VC/ OAVM & e-voting during the AGM are as under:

- (i) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of ‘remote e-voting’ or voting at the AGM through poll.
- (ii) Shareholders who have already cast their vote prior to the AGM through remote e voting may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to vote on such resolution again.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) The Company would be providing the CDSL system for the Members to cast their vote through remote e-voting and participate in the AGM through VC. Members may access the same at <https://www.evotingindia.com> under shareholders/ Members login by using the remote e-voting credentials.

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- (v) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- (vi) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (vii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (viii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (ix) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (x) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven days prior to the date of meeting mentioning their name, demat account number/folio number, email id, mobile number to khedekar@spiceislandsindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number to khedekar@spiceislandsindia.com. These queries will be replied to by the company suitably by email.
- (xi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (xii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (xiii) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of name will be entitled to vote.

Process for those Members whose email addresses are not registered with the depositories:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to khedekar@spiceislandsindia.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

**By order of the Board of Directors,
For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)**

Sd/-
Arti Lalwani
Company Secretary and Compliance Officer
Membership no. A59871

Place : Mumbai
Date : July 23, 2024

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EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

The Board of Directors had, based on recommendations of the Nomination and Remuneration Committee (NRC) appointed Mr. Kalpesh Mistry (DIN: 07599056) as an Additional Director (in the category of Independent Director) pursuant to Sections 149, 150, 152 and 161 read with other relevant provisions of the Companies Act, 2013 (the 'Act'), for a term of five consecutive years with effect from July 03, 2024 up to July 02, 2029.

Mr. Kalpesh Mistry holds Bachelor's Degree in Commerce and MBA in Finance. Mr. Kalpesh Mistry heads the Rasodu Hotels. He is having rich experience in the Hotel Industries and has expertise in Business Management, Finance, Accounts, Real Estate matters etc. Mr. Kalpesh Mistry is a confident and focused professional with strong analytical skills and known for persistence, perseverance and performing even under stressful conditions.

Mr. Kalpesh Mistry is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149 (6) of the Act and provisions of SEBI LODR, that he has registered himself with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA). In the opinion of Board, Mr. Kalpesh Mistry fulfils the conditions for appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company.

Other information relating to his appointment in accordance with Secretarial Standard – SS-2 and Regulation 36(3) of SEBI LODR is annexed to the Notice. The terms and conditions of appointment as an Independent Director is available for inspection by members at the registered office of the Company between 10:00 hrs and 12:00 hrs up to the date of AGM and also on the policies section of website of the Company at <http://www.spiceislandsapparelslimited.in/>.

His appointment will also be governed by the policy of the Company applicable to the Board of Directors. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company. The Board recommends passing the resolution as set out at item no.4 as a special resolution.

Item No. 5

The Company needs to raise additional funds to meet out the working capital requirement, business expansion and other general corporate purposes of the Company. To meet the requirements of growing business and considering raising fund the Company has come up with most cost and time effective way for raising additional capital through Preferential Offer for up to [2213322] (Twenty Two Lakhs Thirteen Thousand Three Hundred and Twenty Two Only) convertible warrants ("Warrants"), the Board approved the matter in Meeting held on Tuesday July 23, 2024.

In accordance with section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the "Act"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the SEBI ICDR Regulations and the Listing Regulations, as amended from time to time, subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority approval of shareholders of the Company by way of special resolution is required to issue Convertible Warrants into Equity Shares by way of private placement on a preferential basis to the proposed allottees.

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The information required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations, and other relevant details in respect of the proposed Preferential Issue of Convertible Warrants into Equity Shares are as under:

a) Particulars of the Preferential Issue including date of passing of Board resolution

The Board at their meeting held on Tuesday July 23, 2024 have, subject to the approval of the Members of the Company and such other approvals as may be required, approved to issue and allot in one or more tranches, [2213322] (Twenty Two Lakhs Thirteen Thousand Three Hundred and Twenty Two Only) convertible warrants (“Warrants”), each convertible into, or exchangeable for, 1 (one) fully paid- up equity share of the Company of face value of Rs. 10/- each at a price of Rs. 45/- (Rupees Forty Five only) including premium of ₹ 35/- per share for each Warrant payable in cash aggregating up to ₹ 9,95,99,490/- (Rupees Nine Crore Ninety Five Lakhs Ninety Nine Thousand Four Hundred Ninety Only) (“Total Issue Size”), within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity enlisted below (“Warrant Holder”/ “Proposed Allottees”) belonging to promoter group and non-promoter group of the Company on a preferential basis (“Preferential Issue”), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws in this respect:

Sr. No.	Name of Proposed Allottees	Category (Promoter/Non -Promoter)	Maximum number of Convertible Warrants proposed to be allotted
1.	Dhanik Food & Beverages Pvt Ltd	Non-Promoter	344444
2.	Dhaval Girish Chheda	Non-Promoter	44444
3.	Bhanuben Girish Chheda	Non-Promoter	44444
4.	Pinal Dhaval Chheda	Non-Promoter	44444
5.	Girish Keshavji Chheda	Non-Promoter	44444
6.	Faraaz Chapra	Non-Promoter	166666
7.	Irfan Chapra	Non-Promoter	277777
8.	Reshma Chapra	Non-Promoter	333333
9.	Shifa Chapra	Non-Promoter	55555
10.	Saniya Chapra	Non-Promoter	55555
11.	Mubina Sofia	Non-Promoter	55555
12.	Aliya Chotani	Non-Promoter	22222
13.	Sarla Dinesh Gada	Non-Promoter	33333
14.	Kunal Ranjit Jain	Non-Promoter	11111
15.	Pallavi Sharma	Non-Promoter	11111
16.	Amit Omprakash Sharma	Non-Promoter	24444
17.	Nasreen Rangoonwala	Non-Promoter	55555
18.	Noman Rangoonwala	Non-Promoter	55555
19.	Ruksar Rangoonwala	Non-Promoter	55555
20.	Salim Mohd Hussain Shaikh	Non-Promoter	11111
21.	Shriyuth Chabbariya	Non-Promoter	88888
22.	Rishab Mukesh Sharma	Non-Promoter	111111
23.	Anazaar Khan	Non-Promoter	33333
24.	Rashid Rangoonwala	Non-Promoter	55555
25.	Manju M Sharma	Non-Promoter	55555
26.	Pankaj Kumar Jain	Non-Promoter	111111
27.	Yasir Babar Wani	Non-Promoter	11111
	Total		2213322

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b) Kinds of securities offered and the price at which security is being offered, and the total/ maximum number of securities to be issued

The Company proposes to offer, issue and allot, in one or more tranches, upto [2213322] (Twenty-Two Lakhs Thirteen Thousand Three Hundred and Twenty-Two Only) convertible warrants (“Warrants”), at a price of ₹ 45/- (Rupees Forty-Five Only) per warrant, aggregating upto ₹ 9,95,99,490/- (Rupees Nine Crore Ninety-Five Lakhs Ninety-Nine Thousand Four Hundred Ninety Only) (“Total Issue Size”), by way of a Preferential Issue.

c) Purpose/Object of the preferential issue

The Company needs to raise additional funds to meet out the working capital requirement, business expansion and other general corporate purposes of the Company. Considering raising funds through preferential issue to be most cost and time effective way for raising additional capital the Board of Directors of the Company proposed to raise upto ₹ 9,95,99,490/- (Rupees Nine Crore Ninety-Five Lakhs Ninety-Nine Thousand Four Hundred Ninety Only) (through issue of warrants convertible into equity shares on preferential basis to the person/Entity belong to Promoter Group and non-promoter group of Company. The Company shall utilize the proceeds from the preferential issue of warrants convertible into equity shares to meet out the working capital requirement, business expansion and other general corporate purposes of the Company which shall enhance the business of the Company.

d) Maximum number of securities to be issued and price at which securities being offered

The Company proposes to offer, issue and allot, in one or more tranches, [2213322] (Twenty-Two Lakhs Thirteen Thousand Three Hundred and Twenty-Two Only) convertible warrants (“Warrants”), at a price of ₹ 45/- (Rupees Forty-Five Only) per warrant, aggregating upto ₹ 9,95,99,490/- (Rupees Nine Crore Ninety-Five Lakhs Ninety-Nine Thousand Four Hundred Ninety Only) by way of a Preferential Issue.

The price for the allotment of shares to be issued is based on the minimum price determined in accordance with Chapter V of SEBI ICDR Regulations is fixed at ₹ 45- (Rupees Forty-Five Only) per Convertible Warrant.

e) Basis on which the price has been arrived at along with report of the registered valuer:

The Equity shares of the Company are listed on BSE Limited (“BSE”) and are frequently traded as per provisions of SEBI ICDR Regulations. In terms of the provisions of Regulation 164 of the ICDR Regulations, the equity shares of the Company listed on a BSE for a period of 90 trading days or more as on the relevant date, the minimum price at which the Convertible Warrants shall be issued not less than higher of the following:

- a) The volume weighted average price of the Equity Shares of the Company quoted on BSE, during the 90 trading days preceding the Relevant Date, i.e. ₹ 39.14/- per Convertible Warrants; or
- b) The volume weighted average price of the Equity Shares of the Company quoted on BSE, during the 10 trading days preceding the Relevant Date i.e. ₹ 43.49/- per Convertible Warrants.

We also confirm that the Articles of Association do not contain any restrictive provision for Preferential Allotment and doesn't contain any article which provides for particular method for determination of price in case of preferential issue.

However, the proposed allotment is more than 5% of the post issue fully diluted Shares capital of the Company, to the allottees and allottees acting in concert, the pricing of the Convertible warrants to be allotted shall be higher of the following parameters:

- I. Price determined as per the provisions of the Regulation 164(1) of the SEBI ICDR Regulations (in case of frequently traded shares) which is ₹ 43.49/- per Convertible Warrant

OR

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- II. Price determined as per provisions of the Regulation 166A(1) of the SEBI ICDR Regulations which is ₹ 43.49/- per Convertible Warrant

Accordingly, the floor price in terms of SEBI (ICDR) Regulations is ₹ 45/- per Convertible Warrant. The issue price is ₹ 45/- (Rupees Forty Five Only) per Convertible warrant which is not lower than the minimum price determined in compliance with applicable provisions of SEBI (ICDR) Regulations.

The valuation was performed by Mr. Hitesh Jhamb, a Registered Valuer (Registration No. IBBI/RV/11/2019/12355) having his office located at 116, FF, L-1 Tower, Cloud 9, Sector-1, Vaishali 201010 Ghaziabad, Noida in accordance with regulation 164 and regulation 166A of SEBI (ICDR) Regulations. The certificate of Independent Valuer confirming the minimum price for preferential issue as per chapter V of SEBI (ICDR) between 10:00 A.M. to 05:00 P.M. on all working days upto the date of AGM and uploaded on the website of the Company. The link of Valuation Report is <http://www.spiceislandsapparelslimited.in>.

f) Relevant Date

The relevant date as per the Regulation 161 of SEBI ICDR Regulations, for determination of minimum price for the issuance of equity shares of the Company is Friday, July 19, 2024 the date that is 30 (Thirty) days prior to the date of shareholders meeting i.e. on Monday, August 19, 2024 to approve the proposed Preferential Issue;

g) The class or classes of persons to whom the allotment is proposed to be made

The allotment is proposed to be made to the proposed allottees as mentioned at point no. (h) below.

Sr. No.	Name of the Proposed Allottees	Category	Ultimate Beneficial Owner	Pre-issue Shareholding		Number of Warrants to be issued Post-issue	Shareholding (Presuming full conversion of Warrants)	
				No. of Shares	% of holding		No. of Shares	% of holding
1.	Dhanik Food & Beverages Pvt Ltd	Non-Promoter	Dhaval Girish Chheda	0	0	344444	344444	5.29
2.	Dhaval Girish Chheda	Non-Promoter	N.A	0	0	44444	44444	0.68
3.	Bhanuben Girish Chheda	Non-Promoter	N.A	0	0	44444	44444	0.68
4.	Pinal Dhaval Chheda	Non-Promoter	N.A	0	0	44444	44444	0.68
5.	Girish Keshavji Chheda	Non-Promoter	N.A	0	0	44444	44444	0.68
6.	Faraaz Chapra	Non-Promoter	N.A	0	0	166666	166666	2.56
7.	Irfan Chapra	Non-Promoter	N.A	0	0	277777	277777	4.26
8.	Reshma Chapra	Non-Promoter	N.A	0	0	333333	333333	5.12
9.	Shifa Chapra	Non-Promoter	N.A	0	0	55555	55555	0.85
10.	Saniya Chapra	Non-Promoter	N.A	0	0	55555	55555	0.85
11.	Mubina Sofia	Non-Promoter	N.A	0	0	55555	55555	0.85
12.	Aliya Chotani	Non-Promoter	N.A	0	0	22222	22222	0.34
13.	Sarla Dinesh Gada	Non-Promoter	N.A	0	0	33333	33333	0.51
14.	Kunal Ranjit Jain	Non-Promoter	N.A	0	0	11111	11111	0.17
15.	Pallavi Sharma	Non-Promoter	N.A	0	0	11111	11111	0.17

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Sr. No.	Name of the Proposed Allottees	Category	Ultimate Beneficial Owner	Pre-issue Shareholding		Number of Warrants to be issued Post-issue	Shareholding (Presuming full conversion of Warrants)	
				No. of Shares	% of holding		No. of Shares	% of holding
16.	Amit Omprakash Sharma	Non-Promoter	N.A	0	0	24444	24444	0.38
17.	Nasreen Rangoonwala	Non-Promoter	N.A	0	0	55555	55555	0.85
18.	Noman Rangoonwala	Non-Promoter	N.A	0	0	55555	55555	0.85
19.	Ruksar Rangoonwala	Non-Promoter	N.A	0	0	55555	55555	0.85
20.	Salim Mohd Hussain Shaikh	Non-Promoter	N.A	0	0	11111	11111	0.17
21.	Shriyuth Chabbariya	Non-Promoter	N.A	0	0	88888	88888	1.36
22.	Rishab Mukesh Sharma	Non-Promoter	N.A	0	0	111111	111111	1.71
23.	Anazaar Khan	Non-Promoter	N.A	0	0	33333	33333	0.51
24.	Rashid Rangoonwala	Non-Promoter	N.A	0	0	55555	55555	0.85
25.	Manju M Sharma	Non-Promoter	N.A	0	0	55555	55555	0.85
26.	Pankaj Kumar Jain	Non-Promoter	N.A	0	0	111111	111111	1.71
27.	Yasir Babar Wani	Non-Promoter	N.A	0	0	11111	11111	0.17

h) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issues that may be held by them and change in control, if any, in the issuer consequent to the preferential issues

Assuming full conversion of Warrants.

As a result of the proposed preferential issue of Warrants and upon conversion of such Warrants, there will be no change in the control or management of the Company. However, there will be corresponding changes in the shareholdings of the promoter & promoter group and public shareholding consequent to preferential allotment.

- i) Intention of the promoters/ directors/ or key managerial personnel to subscribe to the offer
- The warrant convertible into equity shares shall be issued to Mr. Dhaval Girish Chheda i.e Investor no 2 is CEO of the Company and holds 95% of Equity Shares in Dhanik Food & Beverages Pvt Ltd Investor 3 to Investor 5, are immediate Relative of Mr. Dhaval Girish Chheda CEO of the Company. They have indicated their intention to subscribe to the Convertible Warrants on Preferential basis. Shareholding post allotment and conversion of Convertible Warrants to Equity will be 8.02% of paid-up capital
 - The warrant convertible into equity shares shall be issued to Mr. Faraaz Chapra i.e. Investor 6 is Director and CFO of the Company and investor 7 to Investor 12, are immediate Relative of Mr. Faraaz Chapra Director and CFO of the Company They have indicated their intention to subscribe to the Convertible Warrants on Preferential basis. Shareholding post allotment and conversion of Convertible Warrants to Equity will raise their shareholding to 14.84% of paid-up capital of Company
 - Other than the above, none of the Directors or Key Managerial Personnel of the Company intends to subscribe to any of the warrants convertible into equity shares proposed to be issued under the Preferential Issue or otherwise contribute to the Preferential Issue or separately in furtherance of the objects specified herein above.

j) Time frame within which the Preferential Issue shall be completed.

As required under the SEBI ICDR Regulations, the preferential issue/allotment of Warrants shall be completed within a period of 15 days of passing the special resolution or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any Regulatory Authority or Exchanges or any Authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.

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k) Shareholding pattern pre and post preferential issue would be as follows:

Sr. No.	Category	Pre-Issue Shareholding		Post Issue Shareholding (Presuming full conversion of warrants) #	
		No. of equity shares held	% of Shares	No. of equity shares held	% of Shares
A	Promoter & Promoter Group Share holding				
A1	Indian Promoter	2687390	62.50%	2687390	41.26%
A2	Foreign Promoter	-	-	-	-
	Sub Total(A)	2687390	62.50%	2687390	41.26%
B	Public Share holding				
B1	Institutions	0	0.00%	0	0.00%
B2	Institutions(Domestic) Mutual Funds	0	0.00%	0	0.00%
B3	Institutions(Foreign)	0	0.00%	0	0.00%
B4	Central Government / State Government(s) /President of India	0	0.00%	0	0.00%
B5	Non-Institutions Investor Education and Protection Fund (IEPF)	73952	1.72%	73952	1.14%
	Directors and their relatives (excluding independent directors and nominee directors)	200	0.00	200	0.00
	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	753580	17.53%	798024	12.25
	Resident Individuals holding nominal share capital in excess of Rs. 2lakhs	591966	13.77%	2416400	37.10%
	Non Resident Indians(NRIs)	2040	0.05%	2040	0.03
	Bodies Corporate	143108	3.33%	487552	7.49
	Any Other (specify)	47764	1.11%	47764	0.73
	Sub Total B=B1 + B2 + B3 + B4 + B5	1612610	37.50%	3825932	58.74
	Total Share holding (A + B)	4300,000	100.00%	6513322	100.00%

a. Change in Control, if any, in the Company consequent to the preferential issue

The Existing Promoter Will continue to be in control of the Company and there will not be any change in the Management or control of the company as a result of the Proposed Preferential issue. However, the Percentage of shareholding and voting rights exercise by the shareholders of the Company will change in accordance with the change in the shareholding Pattern pursuant to the preferential allotment.

b) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price.

During the year the Company has not made any allotments on preferential basis till date.

c) Principle terms of assets charged as securities.

Not applicable.

d) Material terms of raising such securities

The Equity shares being issued after the conversion of such convertible warrants shall be pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.

e) Lock-In Period & Transferability

The Warrants and the equity shares to be allotted pursuant to the exercise of the Warrants issued on Preferential Issue shall be subject to 'lock-in' for such period(s), as may be applicable to each of the

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investor(s), in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

Further the entire pre-preferential allotment shareholding of the allottees if any shall be locked-in from the relevant date up to a period of 90 (Ninety) trading days from the date of allotment of securities.

f) The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter

Existing promoter will continue as promoter of the Company and pursuant to this allotment the proposed allottees other than promoter shall be covered under the head on non – promoter/public under shareholding pattern of the Company.

g) The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue

Sr. No.	Name of proposed allottees	Percentage of post preferential issue (Presuming full conversion of Warrants)
1.	Dhanik Food & Beverages Pvt Ltd	5.29
2.	Dhaval Girish Chheda	0.68
3.	Bhanuben Girish Chheda	0.68
4.	Pinal Dhaval Chheda	0.68
5.	Girish Keshavji Chheda	0.68
6.	Faraaz Chapra	2.56
7.	Irfan Chapra	4.26
8.	Reshma Chapra	5.12
9.	Shifa Chapra	0.85
10.	Saniya Chapra	0.85
11.	Mubina Sofia	0.85
12.	Aliya Chotani	0.34
13.	Sarla Dinesh Gada	0.51
14.	Kunal Ranjit Jain	0.17
15.	Pallavi Sharma	0.17
16.	Amit Omprakash Sharma	0.38
17.	Nasreen Rangoonwala	0.85
18.	Noman Rangoonwala	0.85
19.	Ruksar Rangoonwala	0.85
20.	Salim Mohd Hussain Shaikh	0.17
21.	Shriyuth Chabbariya	1.36
22.	Rishab Mukesh Sharma	1.71
23.	Anazaar Khan	0.51
24.	Rashid Rangoonwala	0.85
25.	Manju M Sharma	0.85
26.	Pankaj Kumar Jain	1.71
27.	Yasir Babar Wani	0.17
	Total	33.95

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h) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.

Not applicable. Since, the allotment of Warrants and the equity shares pursuant to the exercise of the Warrants is made for consideration payable in cash.

i) Amount which the company intends to raise by way of such securities

Aggregating up to ₹ 9,95,99,490/- (Rupees Nine Crore Ninety-Five Lakhs Ninety-Nine Thousand Four Hundred Ninety Only)

j) Certificate of Practicing Company Secretary

The copy of certificate from Mr. Rajkumar Gupta, Practicing Company Secretary, Proprietor of M/s Rajkumar Gupta & Co. (C.P. No. 18582), as required under regulation 163(2) of the SEBI ICDR Regulations, shall be placed before the Annual General Meeting of the shareholders through electronic means, to be held at 11:30 A.M. The said certificate shall be hosted on the Company's website and is accessible at link: <https://www.spiceislandsapparelslimited.in>.

k) Other disclosures/Undertaking

- i. The Company, its Promoters and its Directors are not categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India and have not been categorized as a fraudulent borrower. Consequently, the disclosures required under Regulation 163(1) (i) of the SEBI ICDR Regulations is not applicable.
- ii. None of its directors or promoters are fugitive economic offenders as defined under the SEBI ICDR Regulations.
- iii. The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories.
- iv. The Company has obtained the Permanent Account Numbers (PAN) of the proposed allottees, except those allottees which may be exempt from specifying PAN for transacting in the securities market by SEBI before an application seeking in-principle approval is made by the Company to the stock exchange(s) where its equity shares are listed;
- v. The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the general meeting seeking shareholders' approval by way of special resolution;
- vi. The Company is in compliance with the conditions for continuous listing.
- vii. Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price in terms of Regulation 163(1)(g) and Regulation 163(1)(h) of SEBI ICDR Regulations.
- viii. The Proposed Allottees and the promoter and promoter group has not sold any equity shares during 90 trading days preceding the Relevant Date.
- ix. The Equity Shares held by the proposed allottees in the Company are in dematerialized form only.
- x. No person belonging to the promoters / promoter group has previously subscribed to any warrants of the Company during the last one year.
- xi. The Company has complied with the applicable provisions of the Companies Act, 2013. The provisions of Section 62 of the Companies Act, 2013 (as amended from time to time) and the SEBI ICDR Regulations provide, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing

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members of the Company for subscription unless the members decide otherwise through a Special Resolution.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolution as set out in Item No. 5 as Special Resolution for your approval.

Except, Mr. Faraaz Irfan Chapra Director and CFO of the Company along with his relatives i.e Investor 7 to Investor 12 and Mr. Dhaval Girish Chheda Chief Executive Officer along with his relatives i.e Investor 3 to Investor 5 and Investor 1 in which he is ultimate Beneficial Owner, none of the Directors, Key Managerial Personnel or their relatives thereof are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out at Item No. 5 of this Notice except and to the extent of their shareholding in the Company.

By order of the Board of Directors,

For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)

Sd/-

Arti Lalwani

Company Secretary and Compliance Officer

Membership no. A59871

Place : Mumbai

Date : July 23, 2024

36th ANNUAL REPORT : 2023-24

ANNEXURE TO THE NOTICE DATED JULY 23, 2024

Information about directors seeking re-appointment / appointment at the 35th Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Ms. Sandeep Jamnadas Merchant	Mr. Kalpesh Mistry
I. Brief Resume		
Age (in years)	59 Years	44 years
DIN	05210128	07599056
Father's Name	Mr. Jamnadas Merchant	Mr. Kalpesh Thakorbhai Mistry
Date of Birth	20/02/1966	14/03/1981
Educational Qualifications	Graduation	Graduation and MBA in Finance
Experience	<p>Mr. Sandeep Jamnadas Merchant has a deep knowledge of fund administration and investment philosophies, deep understanding of data analytics and technology, a formidable combination.</p> <p>In the opinion of the Board, Mr. Sandeep Jamnadas Merchant fulfills the conditions specified in the Companies Act, 2013 and Sebi (LODR) 2015.</p>	<p>Mr. Kalpesh Mistry holds Bachelor's Degree in Commerce and MBA in Finance. Mr. Kalpesh Mistry heads the Rasodu Hotels. He is having rich experience in the Hotel Industries and has expertise in Business Management, Finance, Accounts, real estate matters etc. Mr. Kalpesh Mistry is a confident and focused professional with strong analytical skills and known for persistence, perseverance and performing even under stressful conditions</p>
Nature of expertise	<p>Mr. Sandeep Jamnadas Merchant has a deep knowledge of fund administration and investment philosophies, deep understanding of data analytics and technology, a formidable combination.</p> <p>In the opinion of the Board, Mr. Sandeep Jamnadas Merchant fulfills the conditions specified in the Companies Act, 2013 and Sebi (LODR) 2015.</p>	<p>He is having rich experience in the Hotel Industries and has expertise in Business Management, Finance, Accounts, real estate matters etc</p>
II. Other details		
Date of Appointment	08/11/2023	03/07/2024
Terms and Conditions of appointment	Appointment as an Wholetime Director for a period of 5 consecutive years effective from November 08, 2023 to November 07, 2028	Appointment as an Independent Director for a period of 5 consecutive years effective from July 03, 2024 to July 02, 2029
Last drawn remuneration	None	None
Remuneration sought to be paid	None	None

ANNEXURE TO THE NOTICE DATED JULY 23, 2024

Name of the Director	Ms. Sandeep Jamnadas Merchant	Mr. Kalpesh Mistry
Relationship with other Directors / Manager / KMP	None	None
Other Directorships	Fotoset Trading Private Limited	
Committee Memberships in other Boards	None	None
Last three years directorship	Fotoset Trading Private Limited	None
Number of meetings of the Board attended during the year	3	None
Number of equity shares held (including joint holdings)	None	None
Number of equity shares held as beneficial owners in the Company	26,87,390 Equity Shares	3108 Equity Shares

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their Thirty Sixth Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2024.

1. **FINANCIAL RESULTS AND OPERATIONS**

The Company's financial performance, for the financial year ended March 31, 2024 is summarized as below;

	For the year ended 31.03.2024 Rs (in lacs)	For the year ended 31.03.2023 Rs (in lacs)
Revenue from Operations	89.81	85.88
Other Income	43.17	22.08
Total Revenue	132.98	107.96
Profit before Depreciation and Finance cost	42.20	0.03
Depreciation and Amortization expense	3.97	4.28
Finance Cost	6.37	6.00
Profit after Depreciation, Finance costs and Exceptional items and before Tax	31.86	-10.25
Tax expense	0	1.98
Profit After Tax	31.86	-12.23
Other comprehensive income	0.72	1.81
Total Comprehensive Income for the Year	0.72	1.81

FINANCIAL PERFORMANCE

Your Company has achieved No Sales with a Profit after Tax (PAT) of Rs. 31.86 Lakhs during FY 2023-24 as compared to Rs. 85.88 Lakhs and Rs. (12.23) Lakhs, respectively, during Financial Year 2023-24 signifying a growth of 0% in turnover. No revenue has come from Companies Main Business. There was change in nature of the business of the Company, during the year under review from Garment Industry to Solar Renewable Energy Business.

2. **TRANSFER TO RESERVES**

During the year under review no amount was transferred to general reserves.

3. **FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

4. **SHARE CAPITAL**

The Authorized Share Capital of your Company was increased from Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rupees Fifteen

DIRECTOR'S REPORT

Crore only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each. Consequent to the above, the Authorized Share Capital of your Company as on March 31, 2024 stood at Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each.

The paid-up equity share capital of the Company as at March 31, 2024 is ₹ 43,00,000. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS. During the year under report, M/s. Fotoset Trading Private Limited., (acquirers), acquired in aggregate 26,80,790 equity shares of ₹ 10/- each representing 62.50% of the equity capital of the Company from companies belonging to Mr. Umesh M. Katre and his family members, promoters of the Company.

Pursuant to this acquisition, the acquirers made an open offer to the public shareholders of the Company to acquire from them 11,18,000 equity shares of ₹ 10/- each @ 9 per equity shares under the provisions of SEBI (SAST) Regulations. Upon completion of this open offer process, the acquirers have become the promoters of the Company and are now holding 26,80,790 equity shares of ₹ 10/- each representing 62.50% of the equity capital of the Company.

In the Open offer document to the public shareholders, it was mentioned that the promoter shareholders belonging to Mr. Umesh M. Katre and his family members, shall be reclassified as the non-promoter shareholders of the Company, in compliance with the provisions of SEBI (LODR) Regulations, 2015 as amended from time to time and subject to other regulatory requirements, as applicable.

Mr. Umesh M. Katre group of shareholders are currently holding nil of the equity share capital of the Company and have given an application to the Company for categorizing them as non-promoter Shareholders. Based on the request letter received from them, the matter was discussed by the Board of Directors at their meeting held on November 08, 2023 and the Board decided to get the above promoters / promoter group shareholders reclassified from the "Promoter Category" to "Public Category" with the approval of stock exchanges under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Including any amendments made thereto).

Though, the recent amendment to Regulation 31A of SEBI (LODR) Regulations exempts the necessity of obtaining the approval of Shareholders for reclassification of Promoters /Promoter Group Shareholders as Public Category Shareholders, if in the Open Offer documents to the Public Shareholders of the Company, it was mentioned that the existing Promoter/Promoter group Shareholders will be reclassified as Public category shareholders, as a matter of abundant caution the approval of the shareholders is sought for this resolution through postal ballot on January 05, 2024. And accordingly Company has made an application to BSE LTD on December 04, 2023 to get the above promoters / promoter group shareholders reclassified from the "Promoter Category" to "Public Category" with the approval of stock exchanges under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Including any amendments made thereto).

5. DIVIDEND

Due to loss during the year, the Board of Directors has decided not to recommend any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2024.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i. Global Economy Overview

The past few years have been eventful, beginning with supply-chain disruptions following the

DIRECTOR'S REPORT

pandemic, the Russia Ukraine war that led to a global food and energy crisis, a significant spike in inflation, and a globally coordinated tightening of monetary policy. Some report forecasts a deceleration in global GDP growth, from an estimated 2.7% in 2023 to 2.4% in 2024, signaling a continuation of sluggish growth trends. Developing economies, in particular, are struggling to recover from pandemic-induced losses, with many facing high debt and investment short falls the banking system proved to be mainly robust, and significant emerging market countries did not experience abrupt collapses. In the second half of 2023, the US economy and numerous significant emerging market and developing economies grew faster than anticipated. However, the same momentum was not witnessed everywhere, with notably subdued growth in the euro zone, reflecting weak consumer sentiment, soaring energy prices, and weakness in interest rate-sensitive sectors.

b. Indian Economy Overview

After recovering from the COVID-19 pandemic shock, India overtook the UK to become the fifth-largest economy in the first quarter of FY23 thanks to strong economic recovery. In contrast to the First Revised Estimates (FRE) of GDP for the year 2022–2023 of Rs. 269.50 lakh crores (US\$ 3.23 trillion), the Nominal GDP, or GDP at Current Prices, for the year 2023–2024 is predicted to be Rs. 293.90 lakh crores (US\$ 3.52 trillion). The government's ongoing emphasis on capital expenditure along with a strong domestic demand for investment and consumption are considered to be two of the main factors driving the GDP in the first half of Fy24.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

c. Indian Power Sector Overview

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 429.96 GW as of January 31, 2024.

As of January 31, 2024, India's installed renewable energy capacity (including hydro) stood at 182.05 GW, representing 42.3% of the overall installed power capacity. As of January 31, 2024, Solar energy contributed 72.31 GW, followed by 44.95 GW from wind power, 10.26 GW from biomass, 4.99 GW from small hydropower, 0.58 from waste to energy, and 46.93 GW from hydropower.

The non-hydro renewable energy capacity addition stood at 15.27 GW in FY23, up from 14.07 GW in FY22. India's power generation witnessed its highest growth rate in over 30 years in FY23. Power generation in India increased by 6.80% to 1,452.43 billion kilowatt-hours (kWh) as of January 2024. According to data from the Ministry of Power, India's power consumption stood at 1,503.65 BU in April 2023. The peak power demand in the country stood at 243.27 GW in January 2024.

d. Renewable Energy Sector

India had set a target for an installed Renewable Energy capacity of 500 GW by 2030. This was based on the commitment to achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy sources by 2030, and a reduction of the Emissions Intensity of the nation's GDP by 45 percent as against 2005 levels by 2030.

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While assessing the position as on 28.02.2023, MNRE stated that India's RE installed capacity stood at 168.96 GW, with 82.62 GW under implementation and 40.89 GW under tendering process. Accordingly, on 31.03.2023, MNRE issued a Bidding Trajectory for RE projects. The bid capacity announced for FY 2023-24 was 50 GW. The bid trajectory could consist of vanilla Solar, vanilla Wind, Solar-Wind Hybrid, Round-the-Clock Renewable Energy power, etc. with or without storage, or any other combination. Further, the yearwise targeted bid capacity would be allocated among the Renewable Energy Implementing Agencies (REIAs) by the Government.

A report published in May 2024 jointly by the Institute for Energy Economics and Financial Analysis (IEEFA) and JMK Research & Analytics, states that 69.8 GW of renewable energy tenders were issued in 2023-24, far outstripping the trajectory target of 50 GW. The report also highlights that the share of hybrid renewable energy tenders increased from 16% to 43%.

e. Indian Wind Energy Sector

The Government of India has invited bids for the development of off-shore wind energy of a total capacity of 4 GW. This came after the Union Finance Minister Nirmala Sitharaman announced in her Budget speech on February 1 that the government has decided to offer viability gap funding (VGF) for offshore wind projects up to 1 GW. Offshore wind power is a type of renewable energy that harnesses the wind's force at sea to generate electricity. The electricity is then transmitted to the grid or onshore network through undersea cables. The advantages of off-shore wind are many. It does away with constraints of availability of land; it has higher Capacity.

Utilization Function (CUF) - approaching almost 50%. Further, the efficiencies of off-shore wind turbines are higher than those of on-shore wind turbines, besides capital costs being significantly higher. India has already emerged as a world leader in renewable energy. This step will take India's Renewable Energy journey into another dimension.

f. Opportunities of Wind Energy in India

- i. India is estimated to have renewable energy potential of 900 GW from commercially exploitable sources – Solar energy: 750 GW; Wind power: 102 GW; Bio-energy: 25 GW; and Small Hydro: 20 GW.
- ii. The country plans to reach 450 GW of installed renewable energy capacity by 2030, with 280 GW (over 60%) expected from solar power.
- iii. 975.60 MW of renewable energy capacity was added in January 2022.
- iv. Around 15,000 MW of wind-solar hybrid capacity is expected to be added between 2020-25. According to a new report by GWEC and MEC Intelligence (MEC+), between 2021 and 2025, India is expected to install 20.2 GW of wind power capacity, an increase of 50% compared with the 39.2 GW wind power capacity installed in the country in 2020-21
- v. Development of offshore wind energy projects in Tamil Nadu & Gujarat.

The Government of India has fixed a target of 500 GW of Renewable Energy by 2030 out of which 140 GW will be from Wind. The Wind Potential in India was first estimated by National Institute of Wind Energy (NIWE) at 50m hub-height at 49 GW but according to the survey at 80m hub height, the potential grows as much as 102 GW and 302GW at 100 Meter hub height. Further a new study by NIWE at 120m height has estimated a potential 695GW. One of the major advantages of wind

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energy is its inherent strength to support rural employment and uplift of rural economy. Further, unlike all other sources of power, wind energy does not consume any water- which in itself will become a scarce commodity. Overall, the future of Wind Energy in India is bright as energy security and self-sufficiency is identified as the major driver.

g. SWOT Analysis

Strength

- i. We operate in the rapidly growing renewable energy sector, which benefits from increasing demand for electricity and regulatory support.
- ii. We will develop a flexible business model that will enable us to deliver predictable growth from a diversified and balanced portfolio of projects.
- iii. We have an experienced management and operating team with relevant industry knowledge and expertise, including the ability to improve operational performance.

Weaknesses

- i. Revenues from our business are exposed to market based electricity prices
- ii. Our business is seasonal in nature and is dependent on weather conditions that are unpredictable and beyond our control.
- iii. We rely on Original Equipment Manufacturers (OEMs) and other service providers for maintaining our windmills.

Opportunities

- i. Government of India has set an ambitious target of 500 GW for renewables by 2030 and this is expected to give ample opportunity for growing the business.
- ii. Increasing demand from C&I customers for power from Renewable sources to reduce their carbon foot print will provide us with opportunity to expand our business.

Threats

- i. Transmission, evacuation constraints and grid back down issues
- ii. Changing government policies with regard to pricing, RPO obligations, incentivizing other modes of renewable energy.
- iii. Technological advancements in the renewable energy sector such as reduction in cost of solar & new wind power may make our plants obsolete/unviable.
- iv. Delays in recovery of dues from state owned distribution companies (Discoms) may result in acute working capital shortages.

h. Our Proposed Solar Business

Board has considered the view of the prevailing market condition and poor performance of existing business of Garment of the company and hence, decided to deal in the business of Solar Energy as its main business activity in place of existing Business of Company. This will enable the company to

DIRECTOR'S REPORT

enlarge the area of operations and carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously instead present main activities of the company.

I. Human Resources

Our employees are key contributors to our business success. We believe the quality and commitment level of our professionals is at par / highest amongst the power generating companies. SILI continues to focus on key drivers of employee engagement like career growth, learning opportunities, fair performance and rewards and employee well-being by enhancing its HR processes for scale, agility and consistent employee experience. The Company also assigns individual goals to the employees, consistent with the overall objective of the business which not only acts as a strong motivator but also contributes towards improving the overall efficiencies of the business.

Lastly, the Company's transparent working environment wherein employees can raise their concerns and opinions results in high engagement levels and lower employee turnover ratio.

j. Internal Controls and adequacy

The Company has independent Internal Audit team with well-established risk management processes both at the business and corporate levels. Internal Auditor submits their reports, directly to the Chairman of the Audit Committee of the Board of Directors, which ensures process independence. The Company believes that every employee has a role to play in fostering an environment in which controls, assurance, accountability and ethical behaviour are accorded high importance.

This complements the Internal Audits conducted to ensure total coverage during the year. The overall aim of the company's internal control framework is to assure that operations are effective and well aligned with the strategic goals. The internal control framework is intended to ensure correct, reliable, complete and timely financial reporting and management information.

k. Management's Responsibility Statement

The management is accountable for making the Company's financial statements and related information mentioned in this annual report. It believes that these financial statements fairly reflect the form and substance of transactions, and reasonably represents the company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles / Indian Accounting Standards.

I. Cautionary Statement

The statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be 'Forward looking statements' within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference of the Company's operations include economic demand/supply and price conditions in the domestic and overseas markets for Company's products, changes in the Government regulations, tax laws, other statutes and incidental factors.

7. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT STRATEGY

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all

DIRECTOR'S REPORT

documented policies, guidelines, and authorization and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board.

8. CHANGE IN NATURE OF BUSINESS

During the year, there is no change in the nature of the business of the Company. However, the Company has amended/adopted its main object clause III (A) of Memorandum of Association (MOA) objects related to Solar Renewable Energy and also added Objects Incidental or Ancillary to the attainment of the main objects in the clause III (B) through Postal Ballot resolution which shall be deemed to have been passed on the last day of e-voting dated January 05, 2024.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

10. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has no subsidiary or joint venture company. During the financial year under report, no company has become / ceased to be subsidiary or Joint Venture Company.

11. CORPORATE GOVERNANCE

The Company is exempt under Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Hence, Annual Report 2023-24 does not contain the Corporate Governance Report. Further, as and when the company falls under the applicability to provide Corporate Governance Report, the company will comply with the same. Refer Annexure – A.

12. EXTRACT OF ANNUAL RETURN

In accordance with the requirements of Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, a copy of Annual Return in Form MGT-7 is placed on the website of the Company as part of Company's Annual Report 2023-24 at the following web link http://www.spiceislandsapparelslimited.in/MGT-7_2023-24.pdf

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

14. BOARD OF DIRECTORS

Your Company's Board is duly constituted and is in compliance with the requirements of the Act, the Listing Regulations and provisions of the Articles of Association of the Company. Your Board has been constituted with requisite diversity, wisdom, expertise and experience commensurate to the scale of operations of your Company.

DIRECTOR'S REPORT

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	##Ms. Shikha Sethia Bhura	07799537	November 08, 2023
2	\$\$Mr. Shivanand Rama Hemmady	00838098	November 08, 2023
3	@Mr. Sandeep Jamnadas Merchant	05210128	November 08, 2023
4	*Mr. Nilesh Shyam Shevade	03184426	August 13, 2019
5	^ Mr. Milind Sitaram Desai	00326235	April 18, 2023
6	&Mrs. Seema Umesh Katre	00196783	November 12, 2010
7	#Mr. Neeraj Madhukar Desai	03184375	April 10, 2019
8	\$Mr. Umesh M. Katre	00196300	November 01, 2009
9	**Mr. Faraaz Irfan Chapra	07854286	April 10, 2024
10	^ ^ Mr. Chirag Chandulal Rajapopat	10585562	April 10, 2024
11	&&Mr. Kalpesh Thakorbbhai Mistry	07599056	July 03, 2024

Note

- i. ##Ms. Shikha Sethia Bhura was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and her directorship was regularized on January 05, 2024.
- ii. @Mr. Sandeep Jamnadas Merchant was appointed as an Additional Director in the category of Wholetime Director on November 08, 2023 and his directorship was regularized on January 05, 2024.
- iii. \$\$Mr. Shivanand Rama Hemmady was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and his directorship was regularized on January 05, 2024.
- iv. *Mr. Nilesh Shyam Shevade resigned from the post of directorship on April 19, 2023.
- v. ^ Mr. Milind Sitaram Desai was appointed as an Additional Director in the category of Non-Executive - Independent Director on April 18, 2023 and his directorship was regularized on September 25, 2023 and further he resigned from the post of directorship on November 08, 2023.
- vi. &Mrs. Seema Umesh Katre resigned from the post of directorship on November 08, 2023.
- vii. #Mr. Neeraj Madhukar Desai resigned from the post of directorship on November 08, 2023.
- viii. \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.
- ix. **Mr. Faraaz Irfan Chapra was appointed as an Additional Director in the category of Executive Director Finance on April 10, 2024.
- x. ^ ^ Mr. Chirag Chandulal Rajapopat was appointed as an Additional Director in the category of Executive Director on April 10, 2024.
- xi. &&Mr. Kalpesh Thakorbbhai Mistry was appointed as an Additional Director in the category of Non-Executive - Independent Director on July 03, 2024.

None of the directors of the Company are debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

DIRECTOR'S REPORT

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

Retirement by Rotation - Independent directors hold office for a fixed term not exceeding five years from the date of their appointment and are not liable to retire by rotation. The Act mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Mr. Sandeep Jamnadas Merchant (DIN 05210128) directors, being the longest in the office among the directors liable to retire by rotation, retire from the Board this year and, being eligible, have offered themselves for re-appointment.

Brief resume and other relevant details of the Directors proposed to be appointed / re-appointed are given in the Explanatory.

I. KEY MANAGERIAL PERSONNEL (KMP)

During the financial year under report, the following persons were the Key Managerial Personnel of the Company.

Sr. No.	Name of the KMP	Designation
1	Ms. Seema Umesh Katre (resigned w.e.f November 08, 2023)	Whole-time Director
2	Mr. Sandeep Jamnadas Merchant (appointed w.e.f November 08, 2023)	Whole-time Director
3	Ms. Surbhi Pachori (resigned w.e.f April 30, 2024)	Company Secretary & Compliance Officer
4	Ms. Arti Lalwani (appointed w.e.f May 28, 2024)	Company Secretary & Compliance Officer
5	Mr. Sandeep Vishwanath Khedekar (resigned w.e.f April 01, 2024)	CFO
6	Mr. Faraaz Irfan Chapra (appointed w.e.f April 10, 2024)	CFO
7.	Mr. Dhaval Girish Chheda (appointed w.e.f March 29,2024)	CEO

ii. NUMBER OF MEETINGS AND ATTENDANCE:

The Company sends notice of meetings of the Board well in advance so as to allow the Directors to block their calendars. There were five meetings of the board viz. May 30, 2023, August 07, 2023, August 17, 2023, November 08, 2023 and February 13, 2024 held during the year, details which is required pursuant to Section 134(3)(b) of the Companies Act, 2013 are given as under:

15. COMPOSITION OF COMMITTEES AND ATTENDANCE:

A. AUDIT COMMITTEE:

The Audit committee (AC) has been re-constituted by the Board on July 05, 2024. Mr. Umesh M. Katre has resigned as Director of the Company and Member of the Audit Committee and accordingly Company appointed Mr. Kalpesh Thakorbbhai Mistry, Additional Non – Executive - Independent Director as new member of the committee. Now, Audit Committee of the Board comprises w.e.f July 05, 2024, is as below:

DIRECTOR'S REPORT

Sr. No.	Name of Members	Designation	Position
1	Mr. Kalpesh Thakorbbhai Mistry	Additional Director (Non- Executive & Independent)	Chairman
2	Mr. Shivanand Rama Hemmady	Independent Director	Member
3	Ms. Shikha Sethia Bhura	Independent Director	Member

The terms of reference and powers of the Audit Committee are in accordance with the requirements of Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 and includes overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements/ results and, reviewing with the management the adequacy of the internal audit function, recommending the appointment/ reappointment of statutory auditor and internal auditor and recommending/ fixation of audit fees, reviewing the significant internal audit findings, related party transactions, reviewing the Management Discussions & Analysis of financial condition and results of operations, scrutiny of inter-corporate loans and investments. The Committee discusses with the auditors their audit methodology, audit planning and significant observations/ suggestions made by them and management responses and action taken by them.

Pursuant to provision of Section 177 of the Companies act 2013, during the year under review, five meetings were held on May 30, 2023, August 07, 2023, August 17, 2023, November 08, 2023 and February 13, 2024. The time interval between any two Audit Committee meetings did not exceed 120 days. The attendance record of the members at the meeting are as follows:

Sr. No.	Name of Members	Designation	Attendance
1	#Mr. Neeraj M. Desai	Chairman	4
2	*Mr. Nilesh Shyam Shevade	Member	Nil
3	\$Mr. Umesh M. Katre	Member	5
4	^ Mr. Milind Sitaram Desai	Member	4
5	##Ms. Shikha Sethia Bhura	Chairman	1
6	\$\$Mr. Shivanand Rama Hemmady	Member	1

Note

- i. #Mr. Neeraj Madhukar Desai resigned from the post of directorship on November 08, 2023.
- ii. *Mr. Nilesh Shyam Shevade resigned from the post of directorship on April 19, 2023.
- iii. \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.
- iv. ^ Mr. Milind Sitaram Desai was appointed as an Additional Director in the category of Non-Executive - Independent Director on April 18, 2023 and his directorship was regularized on September 25, 2023 and further he resigned from the post of directorship on November 08, 2023.
- v. ##Ms. Shikha Sethia Bhura was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and her directorship was regularized on January 05, 2024.
- vi. @Mr. Sandeep Jamnadas Merchant was appointed as an Additional Director in the category of Wholetime Director on November 08, 2023 and his directorship was regularized on January 05, 2024.
- vii. \$\$Mr. Shivanand Rama Hemmady was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and his directorship was regularized on January 05, 2024.

DIRECTOR'S REPORT

- viii. &&Mr. Kalpesh Thakorbbhai Mistry was appointed as an Additional Director in the category of Non-Executive - Independent Director on July 03, 2024.

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (NRC) has been re-constituted by the Board on July 05, 2024. Mr. Umesh M. Katre has resigned as Director of the Company and Member of the Nomination and Remuneration Committee and inducting Mr. Kalpesh Thakorbbhai Mistry, Additional Non - Executive - Independent Director as new member of the committee. Now, Nomination and Remuneration Committee of the Board comprises w.e.f July 05, 2024 is as below:

Sr. No.	Name of Members	Designation	Position
1	Mr. Shivanand Rama Hemmady	Independent Director	Chairman
2	Ms. Shikha Bhura	Independent Director	Member
3	Mr. Kalpesh Thakorbbhai Mistry	Additional Director (Non- Executive &Independent)	Member

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as may be amended from time to time). Emphasis is given to persons from diverse fields or professionals

Pursuant to provision of Section 178 (1) of the Companies act 2013, during the year under review, 4 meeting were held on May 30, 2023, August 07, 2023, November 08, 2023 and February 13, 2024. The attendance record of the members at the meeting was as follows:

Sr. No.	Name of Members	Designation	Position
1	#Mr. Neeraj Madhukar	Chairman	3
2	*Mr. Nilesh Shyam Shevade	Member	Nil
3	\$Mr. Umesh M. Katre	Member	4
4	\$\$Mr. Shivanand Rama Hemmady	Chairman	1
5	##Ms. Shikha Sethia Bhura	Member	1

Note

- i. #Mr. Neeraj Madhukar Desai resigned from the post of directorship on November 08, 2023.
- ii. *Mr. Nilesh Shyam Shevade resigned from the post of directorship on April 19, 2023.
- iii. \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.
- iv. \$\$Mr. Shivanand Rama Hemmady was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and his directorship was regularized on January 05, 2024.
- v. ##Ms. Shikha Sethia Bhura was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and her directorship was regularized on January 05, 2024.
- vi. &&Mr. Kalpesh Thakorbbhai Mistry was appointed as an Additional Director in the category of Non-Executive - Independent Director on July 03, 2024.

DIRECTOR'S REPORT

C. STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee (SRC) has been re-constituted by the Board on July 05, 2024. Mr. Umesh M. Katre has resigned as Director of the Company and Member of the Stakeholders Relationship Committee and inducting Mr. Kalpesh Thakorbbhai Mistry, Additional Non – Executive - Independent Director as new member of the committee. Now, Stakeholders Relationship Committee of the Board comprises w.e.f July 05 2024 is as below:

Sr. No.	Name of Members	Designation	Position
1	Mr. Mr. Kalpesh Thakorbbhai Mistry	Additional Director (Non- Executive & Independent)	Chairman
2	Ms. Shikha Sethia Bhura	Independent Director	Member
3	Mr. Sandeep Jamnadas Merchant	Whole time Director	Member

This Committee functions in the manner and deals with the matters specified in Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

Pursuant to provision of Section 178(5) of the Companies act 2013, during the year under review, 2 meeting were held on May 30, 2023 and February 13, 2024. The attendance record of the members at the meeting was as follows:

Sr. No.	Name of Members	Designation	Position
1	#Mr. Neeraj Madhukar Desai	Chairman	1
2	@@Ms. Seema Katre	Member	1
3	\$Mr. Umesh M. Katre	Member	2
4	##Ms. Shikha Sethia Bhura	Member	1
5	+Mr. Sandeep Jamnadas Merchant	Member	1

Note :

- i. #Mr. Neeraj Madhukar Desai resigned from the post of directorship on November 08, 2023.
- ii. @@Ms. Seema Katre resigned from the post of directorship on November 08, 2023.
- iii. \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.
- iv. ##Ms. Shikha Sethia Bhura was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and her directorship was regularized on January 05, 2024.
- v. +Mr. Sandeep Jamnadas Merchant was appointed as an Additional Director in the category of Non-Executive - Independent Director on November 08, 2023 and his directorship was regularized on January 05, 2024.
- vi. &&Mr. Kalpesh Thakorbbhai Mistry was appointed as an Additional Director in the category of Non-Executive - Independent Director on July 03, 2024.

D. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors Committee has been re-constituted by the Board on July 05, 2024. Mr. Neeraj Madhukar Desai and Mr. Milind Sitaram Desai had resigned as Director of the Company and inducting Ms. Shikha Sethia Bhura and Mr. Shivanand Rama Hemmady, Independent Director and Mr. Kalpesh Thakorbbhai Mistry as new member of the committee. Now, Independent Directors Committee of the Board comprises w.e.f July 05, 2024 is as below

DIRECTOR'S REPORT

The meeting of Independent Directors' of the Company was held on February 13, 2024 wherein Ms. Shikha Sethia Bhura and Mr. Shivanand Rama Hemmady both participated.

16. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and they have registered their names in the Independent Director's Data Bank. The Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Act and the Code of Business Conduct adopted by the Company.

17. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION NOMINATION & REMUNERATION POLICY

The Board has adopted, on recommendation of the Nomination and Remuneration Committee, a policy for selection and appointment of Directors, Senior Management and their remuneration in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement (as may be amended from time to time).

18. REMUNERATION POLICY AND BOARD DIVERSITY POLICY:

The Company has in place a policy relating to the remuneration of the Directors, KMP and other employees of the Company. The policy is available on the website of the Company at http://www.spiceislandsapparelslimited.in/on_Board_Diversity.PDF.

19. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

A policy on familiarization program for Independent Directors has also been adopted by the Company and is put up on the website of the company <http://www.spiceislandsapparelslimited.in/Director.PDF>. All new Independent Directors (IDs) included in the Board are presented with an overview of the Company's business operations, products, organization structures and about the Board Constitutions and its procedures.

20. EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 and Part D of Schedule II to the Listing Regulations Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship, and Independent Director Committees and that of the individual Director.

The evaluation process covered the aspects which included Board structure and composition, frequency of Board meetings, participation in the long term strategic planning, contribution to and monitoring of corporate governance practices and the fulfillment of Directors' obligation and fiduciary responsibilities, including but not limited to, active participation at the Board and committee meetings. The result of the evaluation is satisfactory and meets the requirement of the Company.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on Corporate Social Responsibility.

22. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

DIRECTOR'S REPORT

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

23. AUDITORS

a) Statutory Auditors

Sachin Phadke and Associates, Chartered Accountants (FRN:133898W), were appointed as the Statutory Auditors at the 35th Annual General Meeting (AGM) of the Company for a term of 1 (One) years i.e. till the conclusion of 36th AGM and therefore retire as Auditors at the ensuing Annual General Meeting. The Board of Directors at their meeting held on May 28, 2024 have appointed Giriraj Bang & Co, Chartered Accountants (Membership Number: 133898W), as the Statutory Auditors of the Company from the conclusion of the ensuing 36th Annual General Meeting and till the conclusion of the 41st Annual General Meeting subject to the approval of the shareholders. The Auditors' Report for the financial year ended March 31, 2024 read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Auditors.

b) Secretarial Auditor

Alok Khairwar, Company Secretaries (Membership No.: F10031, Mumbai) were appointed as Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year 2023-24, Form MR-3, contain qualification, reservation and adverse remark and is annexed to this report as Annexure-B.

Further, the Board of Directors has approved the appointment of Alok Khairwar, Company Secretaries (Membership No.: F10031) as Secretarial Auditors at their meeting held on May 28, 2024 for conducting the Secretarial Audit of the Company for the financial year 2024-25.

c) Internal Auditors

The Board has appointed P. D. Chopda & Co. Chartered Accountants, as Internal Auditors of your company for the financial year 2023-24. The Board has re-appointed P. D. Chopda & Co. Chartered Accountants, as Internal Auditors of the Company for the financial year 2024-25. The firm of Internal Auditors gives their report to the Whole-time Director / CFO as well as to the Audit Committee.

24. PERSONNEL AND RELATED DISCLOSURES

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the company. Pursuant to the provisions of the Companies (Appointment & Remuneration of Managerial Personnel) rules 2014, no employee is drawing remuneration in excess of the prescribed limits. Your company also appreciates that revenue and profit growth cannot take place without

DIRECTOR'S REPORT

the right equality of people. To that effect, your company has undertaken a series of measures that ensures the most appropriate people are recruited in to the organization.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are provided in "Annexure-C" forming part of the Annual Report.

25. WHISTLE BLOWER POLICY / VIGIL MECHANISM

In terms of Section 177 of the Act and Rules framed thereunder read with Regulation 22 of the Listing Regulations, your Company has a Whistle Blower Policy / vigil mechanism in place for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be raised. A Vigil Mechanism Committee under the Chairmanship of the Audit Committee Chairman is also in place. The Whistle Blower Policy has been uploaded on the website of the Company at <http://www.spiceislandsapparelslimited.in> and is available at the link <http://www.spiceislandsapparelslimited.in>.

The Policy provides access to the Legal Head of the Company and to the Chairman of the Audit Committee. No person has been denied an opportunity to have access to the Vigil Mechanism Committee and the Audit Committee Chairman.

26. BUSINESS RESPONSIBILITY REPORT

Your Company shall not be mandatorily required to submit Business Responsibility Report for the year ended March 31, 2024 as stipulated under Regulation 34 of the SEBI Listing Regulations, Provided that where the provision of the Act becomes applicable to the Company at a later date, the Company shall comply with the requirements within stipulated time from the date on which the provisions become applicable to the Company

27. RISK MANAGEMENT

Risk Management is the systematic process of understanding, measuring, controlling and communicating organization's risk exposures while achieving its objectives. Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business. The Company's risk-management strategy is to identify, assess and mitigate any significant risks. We have established processes and guidelines, along with a strong overview and monitoring framework at the Board and Senior Management levels.

The Board of Directors regularly review risks and threats and takes suitable steps to safeguard its interest and that there is no element of risk identified that may threaten the existence of the Company. The focus shifts from one area to another area depending upon the prevailing situation.

28. NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act and Rules framed thereunder with respect to the Company's nature of business.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

All Related Party Transactions entered into by your Company during the Financial Year 2023-24, were on arm's length basis and in the ordinary course of business. There were no material significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for Related Party Transactions.

DIRECTOR'S REPORT

Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Sections 134(3)(h) and 188 of the Companies Act, 2013 read with Pule 8({2) of the Companies (Accounts) Pules, 2014 is not applicable. Attention of Shareholders is also drawn to the disclosure of transactions with related parties set out in Note No. 54 of Significant Accounting Policies, forming part of the Annual Report. None of the Directors have any pecuniary relationships or transactions vis-a-vis the Company.

30. PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORKPLACE

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

31. HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company understands that employees are vital and valuable assets. The Company recognizes people as the primary source of its competitiveness and continues its focus on people development by leveraging technology and developing a continuously learning human resource base to increase their potential and fulfil their aspirations.

The Company continued to maintain harmonious and cordial relations with its workers in all its businesses during the year under report. Your company firmly believes that a dedicated work force constitute the primary source of sustainable competitive advantage.

32. LOANS, GUARANTEES OR INVESTMENT MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loans or guarantees or made investments in contravention of the provisions of the Section 186 of the Companies Act, 2013. The details of the loans and guarantees given and investments made by the Company are provided in the notes to the financial statements.

33. EMPLOYEE STOCK OPTION

The company has not issued any Employee Stock Option.

34. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended from time to time regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure-D, forming part of the report.

35. CODE OF CONDUCT

As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Board of Directors and senior management and employees, the Company has formulated a comprehensive Code of Conduct (the Code). The Code is applicable to Directors and senior management and employees to such extent as may be applicable to them depending upon their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence.

A copy of the Code has been uploaded on the Company's website at <http://www.spiceislandsapparelslimited.in/>. The Code has been circulated to all the Directors and

DIRECTOR'S REPORT

Management Personnel and its compliance is affirmed by them annually. A declaration signed by the Company's Managing Director for the compliance of this requirement is published in this Report.

36. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading (Insider Code) as approved by the Company's Board. Any Insiders (as defined in Insider Code) including designated employees & persons and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information" are available with them. The Insider Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

37. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANRUPTCY CODE 2016

During the year under review, there were no applications made for proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.

38. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the year under review, there has been no one time settlement of loans taken from Banks and Financial Institutions.

39. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of Secretarial Standard 1 (relating to Meetings of the Board of Directors) and Secretarial Standard 2 (relating to General Meetings) issued by the Institute of the Company Secretaries of India.

40. CHANGE OF COMPANY NAME AND SCRIPT CODE

Subsequent to the Completion and pursuant to the Special Resolution of the Company passed by the shareholders through Postal Ballot on January 05, 2024 and the issue of the Certificate of Change of Name by the Registrar of Companies on April 01, 2024, the name of the Company has been changed from "Spice Islands Apparels Limited" to "Spice Islands Industries Limited" with effect from April 01, 2024.

In connection with the change of the Company's name, the shares of the Company have been traded on The Bombay Stock Exchange ("BSE") under the new Scrip ID i.e. "SPICEISLIN". The ISIN of the Company remains unchanged as "INE882D01017".

41. GREEN INITIATIVE

Electronic copy of the Annual Report for FY 2023 - 2024 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are available in demat account and registered with Company's Registrar and Share Transfer Agent. With reference to the MCA General Circular No. 20/2020 of Ministry of Corporate Affairs dated May 5, 2020 and MCA circular No. 11/2022 dated December 28, 2022, read with the Securities and Exchange Board of India Circular No. SEBIHO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Companies have been dispensed with the printing and dispatch of the Annual Report to the Shareholders. Hence the annual Report of the Company for the FY 2023 - 2024 will be sent the Shareholders holding shares in demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered with Cameo Corporate Services Limited, Company's Registrar and Share Transfer Agent, by sending KYC updation forms duly signed by the shareholders with required details. rough email to the Shareholders.

DIRECTOR'S REPORT

Shareholders holding shares in demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered with Cameo Corporate Services Limited, Company's Registrar and Share Transfer Agent, by sending KYC updation forms duly signed by the shareholders with required details.

42. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its appreciation for the continued support received from all stakeholders including government, regulatory authorities and financing institutions. Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and success.

By order of the Board of Directors,
For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)

Sd/-
Faraaz Irfan Chapra
Director
DIN: 07854286

Sd/-
Shikha Sethia Bhura
Director
DIN: 07799537

Place : Mumbai
Date : May 28, 2024

DIRECTOR'S REPORT

ANNEXURE – A

**NON-APPLICABILITY OF REGULATION 27 (2) OF SEBI (LODR)
REGULATIONS, 2015 REGARDING CORPORATE GOVERNANCE REPORT**

This is to certify that in order to comply with Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Paid up capital of the Company Spice Islands Industries Limited is Rs. 430,00,000/- viz. not exceeding Rs. 10 crores and the Net worth is Rs. -29,90,637/- viz. less than Rs. 25 Crores as on the last day of the previous financial year i.e. March 31, 2024. Therefore it is not required to submit Corporate Governance Report.

By order of the Board of Directors,
For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)

Sd/-
Arti Lalwani
Company Secretary and Compliance Officer
Membership no. A59871

Place : Mumbai
Date : May 28, 2024

DIRECTOR'S REPORT

ANNEXURE – B

**Form No. MR-3
Secretarial Audit Report**

for the financial year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Spice Islands Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Spice Islands Industries Limited**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

DIRECTOR'S REPORT

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- (vi) Other laws applicable specifically to the Company namely:-
 - (a) The Factory Act, 1948
 - (b) Acts Prescribed under Prevention and Control of pollution
 - (c) Acts prescribed under Environment Protection
 - (d) Industrial Disputes Act, 1947
 - (e) The Payment of Wages Act, 1936
 - (f) The Minimum Wages Act, 1948
 - (g) Employee State Insurance Act, 1948
 - (h) The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- (i) The Payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above subject to the following observations:

- (a) The company is in process to update website as required under regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.**
- (f) The Company has yet to file following forms/returns required to be submitted with the Registrar of Companies.

DIRECTOR'S REPORT

Sr. No.	Particular of Compliance	Section & Rules	Date of Meeting
1	Form IEPF-1 i.e. Statement of amounts credited to investor education and protection Fund	Pursuant to rule 5(4) of the investor education and protection fund authority (Accounting, Audit, Transfer and Refund) Rules 2016)	Form No. IEPF 1 containing details of transfer to the Authority within a period of 30 days of amounts becoming due to be credited to the Fund
2	Form IEPF-2 i.e. Statement of unclaimed and unpaid amounts.	[Pursuant to rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016]	Form IEPF-2 shall be filed every year within 60 days of the Annual General Meeting (AGM) or the due date of AGM, whichever is earlier.
3	Form IEPF-4 Statement of shares transferred to the Investor Education and Protection Fund	Pursuant to rule 6 (5) of the investor education and protection fund authority (Accounting, Audit, Transfer and Refund) Rules 2016)	Form IEPF-4 to be filed within 30 days containing the details of transfer of shares in respect of which dividend has not been paid or claimed for seven consecutive years or more

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions in the board meetings were carried through by majority while there were no dissenting members' views, and hence not captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period, except the events listed below, no other specific events / actions occurred which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc., and that the Company has complied with such of those relevant clauses thereto which are applicable:

- A. The Company has obtained the approval of the shareholders by way of Special/Ordinary resolution on January 05, 2024 through Postal Ballot for the following items
 - i. The Company has altered Name clause no. I of Memorandum of Association via Special resolution passed vide postal ballot dated January 05, 2024, and change the name of the Company from Spice Islands Apparels Limited to Spice Islands Industries Limited.
 - ii. The Company has amended/adopted Object clause III A of Memorandum of Association via Special resolution passed vide postal ballot dated January 05, 2024.

DIRECTOR'S REPORT

- iii. The Company has amended/added Object clause III B of Memorandum of Association via Special resolution passed vide postal ballot dated January 05, 2024.
 - iv. The Company has altered Authorized Capital clause no. V of Memorandum of Association via Ordinary Resolution passed vide postal ballot dated January 05, 2024, to increase the Authorized Share Capital of the Company from Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each
 - v. Appointed Ms. Shikha Bhura (DIN: 07799537) as an Independent Non-Executive Director for five (5) consecutive years with effect from November 08, 2023.
 - vi. Appointed Mr. Shivanand Hemmady (DIN: 00838098) as an Independent Non-Executive Director for five (5) consecutive years with effect from November 08, 2023.
 - vii. Appointed Mr. Sandeep Jamnadas Merchant (DIN: 05210128) as an Whole time Director for five (5) consecutive years with effect from November 08, 2023.
 - viii. Approval of Material Related Party Transactions with Seven Islands Ventures Private Limited.
 - ix. Reclassification from Promoter Group category to public Category for the following persons belonging to promoter and promoter group.
- B. The Company has obtained the approval of the shareholders by way of Special/Ordinary resolution on March 29, 2024 through Postal Ballot for the following items
- i. To set the borrowing limits of the Company.
 - ii. To approve the existing Loan of Rs. 62,50,000/- due for payment on 31st March 2024 i.e on completion of its tenure to unsecured Loan with option to Convert into equity u/s 62, of the Companies Act, 2013.
 - iii. To approve to avail the unsecured Loan with option to convert in equity u/s 62, of the Companies Act, 2013.
 - iv. To approve related party transactions.
 - v. The Company has amended/Adopted Object clause III B vide Special Resolution dated March 29, 2024.
 - vi. To enter into new business to purchase the business of Food and Beverages including soft drinks and related products.
 - vii. To give Loans or Invest Funds of the Company in Excess of the Limits Specified under Section 186 of the Companies Act, 2013.
 - viii. To consider and approve the Appointment of Mr. Dhaval Chheda as the Chief Executive Officer of the Company only for the F & B Business Segment and payment of remuneration thereof.

For **Alok Khairwar & Associates**
Practicing Company Secretaries

Sd/-

Alok Khairwar

Proprietor

FCS 10031

CP 12880

UDIN: F010031F000472933

Place : Mumbai

Date : May 28, 2024

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

DIRECTOR'S REPORT

'Annexure A'

To,
The Members,
Spice Island Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Alok Khairwar & Associates
Practicing Company Secretaries

Sd/
Alok Khairwar
Proprietor
FCS 10031
CP 12880
UDIN: F010031F000472933

Place : Mumbai

Date : May 28, 2024

DIRECTOR'S REPORT

ANNEXURE – C

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

A) Conservation of energy:

- (i) The steps taken or impact on conservation of energy: Nil
- (ii) The steps taken by the Company for utilizing alternate sources of energy: - Nil
- (iii) The capital investment on energy conservation equipment's:- Nil

(B) Technology absorption:

- (i) the efforts made towards technology absorption: Nil
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution :-Nil
- (c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):-Nil
- (d) the details of technology imported;-Nil
- (e) the year of import;-Not Applicable
- (f) whether the technology been fully absorbed;-Not Applicable

(C) Expenditure on R & D:

There is no expenditure incurred on Research and Development

(D) Foreign Exchange Earnings & Out Go

b)	EARNING AND OUTGO	(Rs in Lacs)
(i)	Foreign Exchange Earning Export Sales(FOB)	Nil
(ii)	Foreign Exchange outgo (includes raw material, spare parts, capital goods and other expenditure in foreign currency including dividends)	Nil
(a)	Raw Material	Nil
(a)	Capital Goods (Spares)	Nil
		Nil
(b)	Components, Spares and Accessories	Nil
(c)	Dyes & Chemicals	Nil
(d)	Travelling & Other Expenses	Nil
(e)	Commission	Nil

By order of the Board of Directors,

For Spice Islands Industries Limited

(Previously known as Spice Islands Apparels Ltd.)

Sd/-

Arti Lalwani

Company Secretary and Compliance Officer

Membership no. A59871

Place : Mumbai

Date : May 28, 2024

DIRECTOR'S REPORT

ANNEXURE – D

DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel and Designation	Remuneration of Director / KMP for the financial year 2023-24 (INR)	% increase/(decrease) in remuneration in the financial year 2023-24	Ratio of remuneration of each Director/KMP to median remuneration of employees
1	Ms. Surbhi Pachori (Company Secretary) (resigned w.e.f April 30, 2024)	Rs. 3,00,000/-	Nil	Nil
2	Mr. Sandeep Vishwanath Khedekar (CFO) (resigned w.e.f April 01, 2024)	Rs. 5,32,000/-	Nil	Nil

- ii. The median remuneration of the employees of the Company during the financial year was –Rs. 4,16,000/-
- iii. In the financial year, there was a decrease of 16.35% in the median remuneration of employees.
- iv. There were 2 permanent employees on the rolls of Company as on March 31, 2024.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 was Nil whereas there is a decrease of 16.35%% in the managerial remuneration for the financial year.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

By order of the Board of Directors,
For Spice Islands Industries Limited
 (Previously known as Spice Islands Apparels Ltd.)

Sd/-
Arti Lalwani
Company Secretary and Compliance Officer
Membership no. A59871

Place : Mumbai
Date : May 28, 2024

DIRECTOR'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34 (3) AND SCHEDULE V PARA C CLAUSE (10) (I) OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
The Members
Spice Islands Industries Limited
Unit 3043-3048, 3rd Fl, Bhandup Industrial Estate
Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup-W Mumbai 400078

We have examined the relevant registers, records, forms, returns and disclosures received from the Spice Islands Industries Limited having CIN L35101MH1988PLC050197 and having registered office at Unit 3043-3048, 3rd Fl, Bhandup Industrial Estate Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-W Mumbai 400078 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024, have been disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Ms. Shikha Sethia Bhura	07799537	November 08, 2023
2	Mr. Shivanand Rama Hemmady	00838098	November 08, 2023
3	Mr. Sandeep Jamnadas Merchant	05210128	November 08, 2023
4	#Mr. Neeraj Madhukar Desai	03184375	April 10, 2019
5	\$Mr. Umesh M. Katre	00196300	November 01, 2009
6	*Mr. Nilesh Shyam Shevade	03184426	August 13, 2019

Note

- #Mr. Neeraj Madhukar Desai resigned from the post of directorship on November 08, 2023.
- \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.
- *Mr. Nilesh Shyam Shevade resigned from the post of directorship on April 19, 2023.
- \$the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Alok Khairwar & Associates
Practicing Company Secretaries

Sd/-

Alok Khairwar

Proprietor

FCS NO: 10031

CP NO: 12880

P. R. No: 1761/2022

UDIN: F010031F000472966

Place : Mumbai
Date : May 28, 2024

DIRECTOR'S REPORT

DECLARATION OF CODE OF CONDUCT

In compliance with the provisions of Schedule V (D) of the Listing Regulations, it is hereby affirmed that all the Board members and Senior Management personnel have complied with the Code of Conduct of the Company.

By order of the Board of Directors,
For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)

Sd/-
Sandeep Jamnadas Merchant
Whole Time Director
DIN: 05210128

Place : Mumbai
Date : May 28, 2024

DECLARATION BY DIRECTOR WITH RESPECT TO COMPLIANCE WITH CODE OF CONDUCT OF SPICE ISLANDS APPARELS LIMITED ("THE COMPANY")

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, this is to confirm that all the Members of the Board of Directors and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2024.

By order of the Board of Directors,
For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)

Sd/-
Sandeep Jamnadas Merchant
Whole Time Director
DIN: 05210128

Place : Mumbai
Date : May 28, 2024

DIRECTOR'S REPORT

CERTIFICATE FROM CEO AND CFO

[Certificate under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to certify that, we have reviewed audited financial statements and the cash flow statement for the quarter and year ended March 31, 2024 and that to the best of our knowledge and belief that:

1. the said financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
4. the Company has established and is maintaining internal controls for financial reporting and on this basis we have evaluated the effectiveness of internal control systems pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or propose to be taken to rectify these deficiencies.
5. we have indicated to the auditors and the Audit committee:
 - a. significant changes in internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

By order of the Board of Directors,
For Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Ltd.)

Sd/-
Faraaz Irfan Chapra
Director
DIN: 07854286

Sd/-
Shikha Sethia Bhura
Director
DIN: 07799537

Place : Mumbai
Date : May 28, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Spice Islands Industries Limited
(Previously known as Spice Islands Apparels Limited)
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Spice Islands Industries Limited (Previously known as Spice Islands Apparels Limited) ("the Company"), which comprise the balance sheet as at 31st March 2024, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("standalone Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2024, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 56 to the financial statements, which indicates that the Company's capital deficiency improved a bit as at March 31, 2024 because of Net profits from its operations during the year. Company's net worth stands at a negative of Rs 29.91 lacs as at 31st March, 2024. As stated in the note, this condition indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In response to this matter, management continues to strengthen its strategy to expand its market in order for the Company to increase its sales and eventually generate profit. The management has undertaken several cost cutting measures, to cut down the losses and has also ventured into new line of activities. Net losses of the Company manifested a significant decrease from Rs.12.23 lacs in 2023 to a profit of Rs. 31.86 lacs in 2024. Management believes Company's financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the settlement of liabilities in the normal course of business. In connection with our audit, we have performed audit performance audit procedures to evaluate management's assumptions as to the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Going Concern</p> <p>The Company has booked operating gains during the year. However the cumulative retained earnings have become negative due to continuous losses in the past years. Considering the judgement and estimates involved as a part of determination of going concern concept, it is considered to be a key audit matter.</p>	<p>We have performed the following key procedures:</p> <ol style="list-style-type: none"> 1. We considered whether events or conditions exist that may cast significant doubt on the entity's ability to continue as a going concern. 2. Evaluated management's assessment of the Company's ability to continue as a going concern and in doing so considered if the management's assessment includes all relevant information. 3. Evaluated Management's plan for future action including efforts to streamline its process, reduce expenditures, reduce reliance on major customers, disposing off assets, diversification plans.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act; 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('standalone Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that

INDEPENDENT AUDITORS' REPORT

are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if; individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements

As part of an audit in accordance with Standards on Auditing ("SAs"), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - c) The Balance sheet, the Statement of Profit and Loss, and the Cash Flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statement complies with the accounting standards specified under section 133 of the Act, read with rule 7 of the companies (accounts) Rules 2014;
 - e) On the basis of the written representations received from directors as on March 31, 2024, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer our separate report in "Annexure B" and
 - g) With respect to other matters to be included in the auditor's report in accordance with the requirements of section 197(16) as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in auditor's report in accordance with rule 11 of the Companies (Audit and Auditors), Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITORS' REPORT

- i. The Company does not have any pending litigation which would affect its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. During the year there was no amount which required transfer to Investor Education and Protection Fund under the provisions of the Companies Act, 2013.
- iv. (a) The management had represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material miss-statement.
- v. (a) The company has not declared any final dividend for the financial year 2022-2023 and interim dividend for the financial year 2023-24.

(b) The Company has not proposed any final dividend up to the date of our report.
- vi. Based on our examination which included test checks, the Company has not used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software.

For **SACHIN PHADKE & ASSOCIATES**
Chartered Accountants
(Firm Registration No.133898W)

Sd/-

(Sachin Phadke)

Proprietor

Membership No: 117084

UDIN: 24117084BKCXQV8458

Place : Mumbai

Date : 28th May, 2024

INDEPENDENT AUDITORS' REPORT

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
ON THE ACCOUNTS OF SPICE ISLANDS INDUSTRIES LIMITED
(PREVIOUSLY KNOWN AS SPICE ISLANDS APPARELS LIMITED)
FOR THE YEAR ENDED 31ST MARCH, 2024**

(Referred to in paragraph 1 under caption "Report on Other Legal and Regulatory Requirements" in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2024), we report that:

- (i) (a) A) The company has maintained reasonable records showing full particulars including quantitative details and situation, of Property Plant & Equipment.
B) The Company has no intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and is reasonable having regard to the size of the Company and Nature of Business. No material discrepancies were identified on such verification.
- (c) The title deeds of the immovable properties (other than self-constructed immovable properties and properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in note no 4 to the financial statements, are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (b) The company has not been sanctioned working capital facility in excess of Rs 5.00 crores during the year. As explained to us, the bank did not require the company to file quarterly returns / statements for the year 2023-24. Accordingly reporting under this sub-clause is not applicable.
- (iii) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting requirements under this clause is not applicable.
- (iv) The company has not granted any loans, made investments, given guarantees or security to parties for which provisions of sections 185 or 186 are applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made there under, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act 2013, for any of the products of the company. Thus paragraph 3(vi) of the CARO is not applicable to the company.
- (vii) (a) During the year, the company was generally regular in depositing undisputed statutory dues on account of Income Tax, Goods and Service Tax Wealth Tax, Custom Duty, Excise Duty, Cess, employees provident fund, employees state insurance and other material statutory dues as applicable with the appropriate authorities and as at the last day of the financial year, there were no

INDEPENDENT AUDITORS' REPORT

undisputed amounts payable in respect of these taxes for a period exceeding six months except the delays in depositing Tax deducted at source from various payments made to parties under the provisions of Income Tax Act, 1961.

- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, Goods and Service tax, sales tax, service tax, custom duty, duty of excise and value added tax as at 31st March, 2024, which have not been deposited on account of any dispute.
- (viii) During the year, there were no transactions not recorded by the company in its books of accounts and surrendered and disclosed as income in tax assessments under Income Tax Act (43 of 1961). Accordingly, reporting requirements under the clause is not applicable.
- (ix)
 - a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) The term loans obtained by the company were applied for the purpose for which they were obtained. Accordingly, requirement to report under this sub-clause is not applicable.
 - d) The company has not obtained funds on short term basis. Accordingly, requirement to report under this sub-clause is not applicable.
 - e) The company does not have any subsidiary, joint ventures and associates. Therefore, reporting requirements under sub-clause ix) (e) and (f) are not applicable.
- (x)
 - a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause (x)(a) of the Order is not applicable to the Company.
 - b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
 - a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
 - b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As informed to us by the company, no complaints were received by the company from any whistle blower during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause (xii)(a)(b)(c) of the Order are not applicable to the Company
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)
 - (a) The Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

INDEPENDENT AUDITORS' REPORT

- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Company is not a part of the multi national group does not have any CIC operating in India.
- (xvii) The Company has generated cash profit in the current year, however it has incurred cash losses in the immediately preceding financial year. The amount of cash profit is Rs 10.44/- lacs for financial year ended 31st March, 2024. The amount of cash loss for the immediately preceding financial year is Rs 7.81/- lacs.
- (xviii) Erstwhile Statutory Auditors of the company have tendered their resignation during the year w.e.f. 14th August 2023 for reasons which are not pre-judicial to the interests of the company and its shareholders and accordingly necessary compliances in this regards have been followed by the company.
- (xix) On the basis of the financial ratios disclosed in note 62 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Provisions of section 135 dealing with CSR is not applicable to the company. Accordingly, requirement to report on clause (xx) of the Order is not applicable to the company.

For **SACHIN PHADKE & ASSOCIATES**

Chartered Accountants

(Firm Registration No.133898W)

Sd/-

(Sachin Phadke)

Proprietor

Membership No: 117084

UDIN: 24117084BKCXQV8458

Place : Mumbai

Date : 28th May, 2024

INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditors' Report

On the financial statements of Spice Islands Industries Limited for the period ended 31 March 2024.

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to clause (f) of paragraph 2 under 'Report on other Legal and Regulatory requirements' Section of our report to the members of Spice Islands Apparels Limited of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Spice Islands Apparels Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For SACHIN PHADKE & ASSOCIATES

Chartered Accountants
(Firm Registration No.133898W)

Sd/-

(Sachin Phadke)

Proprietor

Membership No: 117084

UDIN: 24117084BKCXQV8458

Place : Mumbai

Date : 28th May, 2024

36th ANNUAL REPORT : 2023-24

Balance Sheet as at 31st March, 2024

Particular	Note	(Rs. in Lacs)	
		As at 31 st March 2024	As at 31 st March 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	21.211	60.278
Right of Use Asset	5	-	-
Intangible Assets	6	-	-
Financial assets	-	-	-
- Investments	7	-	-
- Loans	8	-	20.000
Non-Current Tax Assets	9	9.640	6.019
Deferred tax assets (Net)	45	67.422	67.422
Other non-current assets	10	0.373	2.495
		98.646	156.213
Current assets			
Inventories	11	-	-
Financial assets			
- Investments	12	0.403	0.160
- Trade receivable	13	-	5.532
- Loans	14	-	-
- Cash and cash equivalents	15	11.500	1.056
- Other bank balances	16	6.283	6.283
- Other financial assets	17	10.620	3.250
Other current assets	18	1.067	22.258
Non- Current Assets Held for Sale	58	-	-
		29.874	38.539
		128.520	194.752
EQUITY & LIABILITIES			
Equity			
Equity share capital	19	430.000	430.000
Other equity	20	-459.906	-492.491
		-29.906	-62.491
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	62.500	62.500
- Other financial liabilities	23	12.000	-
Provisions	24	3.140	3.335
		77.640	65.835
Current liabilities			
Financial liabilities			
- Borrowings	25	-	-
- Trade and other payables	26	-	-
Due to Micro, Small and Medium Enterprises	-	-	-
Due to Other than Micro, small and Medium Enterprises	-	2.447	9.522
- Other financial liabilities	27	34.243	78.140
Other current liabilities	28	43.847	103.247
Provisions	29	0.250	0.500
Current tax liabilities (Net)		80.787	191.408
		128.520	194.752

Significant accounting policies
The notes referred to above form an integral part of these financial statements
As per our report of even date attached
for **Sachin Phadke & Associates**
Chartered Accountants
FRN : 133898W

Sd/-
Sachin Phadke
Proprietor
Mem No. 117084

Place : Mumbai
Date : 28th May, 2024

for and on behalf of the board of directors of
Spice Islands Industires Limited
(Previously Known as Spice Islands Apparels Limited)

Sd/-
Shikha Bhura
Chairman & Director
DIN : 07799537

Sd/-
Sandeep Merchant
Whole Time director
DIN : 05210128

Sd/-
Faraaz I Chapra
CFO & Director
DIN : 07854286

Sd/-
Arti Lalwani
Company Secretary

Place: Mumbai
Date : 28th May, 2024

Place: Mumbai
Date : 28th May, 2024

36th ANNUAL REPORT : 2023-24

Statement of Profit and Loss for the year ended 31st March, 2024

Particular	Note	(Rs. in Lacs)	
		For the year ended 31 st March 2024	For the year ended 31 st March 2023
Income			
Revenue from operations	30	89.81	85.88
Other income	31	43.17	22.08
Total Income		132.98	107.96
Expenses			
Cost of materials consumed	32	-	48.96
Changes in inventories of finished goods, stock in trade and work in progress	33	-	-
Employee Benefit Expenses	34	4.26	3.80
Finance costs	35	6.37	6.00
Depreciation and amortisation	36	3.97	4.28
Other expenses	37	86.51	55.18
Total expenses		101.12	118.22
Profit before exceptional and tax	-	31.86	-10.25
Exceptional item	38	-	-
Profit/(Loss) After exceptional item		31.86	-10.25
Profit/(Loss) before tax		31.86	-10.25
Tax expense:			
Current tax		-	-
Tax adjustments relating to previous year		-	1.98
Deferred tax charge/ (credit)	45	-	-
Profit (Loss) for the period from continuing operations		31.86	-12.23
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plans		0.72	1.81
(b) Equity instruments through Other comprehensive income		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		0.72	1.81
Profit After Tax		32.58	-10.42
Earning per share (equity shares, par value Rs 10 each)			
- Basic		0.74	(0.24)
- Diluted		0.74	(0.24)

Significant accounting policies
The notes referred to above form an integral part of these financial statements
As per our report of even date attached
for **Sachin Phadke & Associates**
Chartered Accountants
FRN : 133898W

Sd/-
Sachin Phadke
Proprietor
Mem No. 117084

Place : Mumbai
Date : 28th May, 2024

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for and on behalf of the board of directors of
Spice Islands Industries Limited
(Previously Known as Spice Islands Apparels Limited)

Sd/-
Shikha Bhura
Chairman & Director
DIN : 07799537

Sd/-
Faraaz I Chapra
CFO & Director
DIN : 07854286

Place: Mumbai
Date : 28th May, 2024

Sd/-
Sandeep Merchant
Whole Time director
DIN : 05210128

Sd/-
Arti Lalwani
Company Secretary

Place: Mumbai
Date : 28th May, 2024

36th ANNUAL REPORT : 2023-24

Cash Flow Statements for the Year ended 31st March, 2024

Particular	(Rs. in Lacs) For the year ended 31 st March 2024	(Rs. in Lacs) For the year ended 31 st March 2023
Cash flow from operating activities:		
(Loss) before tax	31.86	(10.25)
Adjustments:		
- Finance cost	6.37	6.00
- Interest income	-	-
- Dividend Income	-	-
- Liabilities no longer required written back	(29.01)	(18.83)
- Lease Rent	(12.00)	-
- Commission Charges on Sale	(89.81)	-
- Other Non operating Income	(0.08)	-
- (Gain)/Loss on sale of Fixed Asset	(1.83)	4.60
- Depreciation and amortisation	3.97	4.28
- Fair Value Adjustment to Investments	(0.24)	(0.02)
- (Gain)/Loss on sale of Investments	-	-
- Actuarial gain/ (loss) reclassified to OCI	0.72	1.81
- Provision for Doubtful Assets	-	1.60
- Bad debts written off	7.47	-
Operating cash flow before working capital changes	(82.58)	(10.81)
Changes in		
- Decrease/(Increase) in Inventories	-	1.75
- Decrease/(Increase) in Trade receivables	(1.94)	71.93
- Decrease/(Increase) in Financial Assets	12.63	0.12
- Decrease/(Increase) in Other Non-financial Assets	21.19	31.13
- Decrease/(Increase) in Other Assets	2.12	1.50
- Increase/ (Decrease) in Trade payables	(7.08)	3.71
- Increase/ (Decrease) in Financial liabilities	(31.90)	(34.86)
- Increase/ (Decrease) in Other liabilities	(30.39)	(71.47)
- Increase/ (Decrease) in Provisions	(0.45)	(1.94)
Cash (used in)/ generated from operations	(118.38)	(8.94)
Income taxes (paid)/ refund	(3.62)	16.28
Net cash generated (used in) operating activities	(122.00)	7.34
Cash flow from investing activities:		
Purchase of Property, Plant and Equipment	-	(0.23)
Proceeds from sale of Property, Plant and Equipment	36.93	15.34
Advance received for sale of Property, Plant and Equipment	-	-
Sale Proceeds from Investment	-	-
Repayment/(Increase) in Deposits with Corporates and others	-	-
Interest Received	-	-
Dividend Income	-	-
Net cash (used in) investing activities	36.93	15.11
Cash flow from financing activities:		
Proceeds from / (repayment) of borrowings	-	(24.25)
Interest paid on Borrowings	(6.37)	(6.00)
Lease rent recd	12.00	-
Commission recd on sale	89.81	-
Other income	0.08	-
Net cash generated from financing activities	95.52	(30.25)
Net (decrease)/ increase in cash and cash equivalents	10.44	(7.81)
Cash and cash equivalents at the beginning of the year	7.34	15.15
Cash and cash equivalents at the end of the year	17.78	7.34
Cash and cash equivalents comprise of:		
Cash on hand	0.69	0.37
Balances with banks		
- in current accounts	10.81	0.69
- in unpaid dividend accounts	6.28	6.28
	17.78	7.34

Significant accounting policies
The notes referred to above form an integral part of these financial statements
As per our report of even date attached
for **Sachin Phadke & Associates**
Chartered Accountants
FRN : 133898W

Sd/-
Sachin Phadke
Proprietor
Mem No. 117084

Place : Mumbai
Date : 28th May, 2024

3

for and on behalf of the board of directors of
Spice Islands Industries Limited
(Previously Known as Spice Islands Apparels Limited)

Sd/-
Shikha Bhura
Chairman & Director
DIN : 07799537

Sd/-
Sandeep Merchant
Whole Time director
DIN : 05210128

Sd/-
Faraaz I Chapra
CFO & Director
DIN : 07854286

Sd/-
Arti Lalwani
Company Secretary

Place: Mumbai
Date : 28th May, 2024

Place: Mumbai
Date : 28th May, 2024

Significant Accounting Policies for the year ended 31st March, 2024

1 Company Overview

Spice Islands Industries Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company was engaged in the manufacturing and selling of knitted and woven garments. The company has now diversified its business into various activities under the new name Spice Islands Industries Limited.

2 Basis for preparation of Financial Statements

2.01 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 28th May, 2024.

2.02 Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Company's functional currency.

2.03 Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities that are measured at fair value (refer accounting policies regarding financial instrument).

2.04 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates are reviewed on an ongoing basis. Subsequent revisions to accounting estimates are recognised prospectively.

Assumptions and estimations

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2024 or subsequent year/ years is included in the following notes:

- Note 3.02: Useful lives of various Property, Plant and Equipment

- Note 55: Fair Value of Financial Instruments

- Note 53: Accounting for Defined Benefit Plan - measurement of defined benefit obligation - key actuarial assumptions.

- Note 3.06: Expected Credit Losses associated with its assets carried at amortized cost

2.05 Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

Significant Accounting Policies for the year ended 31st March, 2024

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.06 Measurement of fair values

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The management regularly reviews significant unobservable inputs and valuation adjustments.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Financial Instruments - Refer Note 55

Significant Accounting Policies for the year ended 31st March, 2024

3 Significant Accounting Policies

3.01 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant

Sale of Goods:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Other Operating revenue is recognised on accrual basis.

Export Incentives:

Export entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. As the Company derives a substantial portion of its revenue from export of goods, such incentives is recognised as “Other Operating Income”

Rendering of Services:

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed and is recognised net of service tax and goods and service tax (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest Income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognized when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Significant Accounting Policies for the year ended 31st March, 2024

Impact of COVID-19

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services/ provide goods; (ii) onerous obligations; (iii) Constraints in delivering goods due to the lockdown and restraint in movement of goods. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

3.02 Property, Plant & Equipment, Intangible Assets and Work -in - Progress

Recognition and Measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria is met. Freehold land has an unlimited useful life and therefore is not depreciated.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in note below.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Subsequent Measurement

Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Disposal/Write-off

An item of property, plant and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Capital Work-in-Progress

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use. Capital work-in-progress included property, plant and equipment are not depreciated as these assets are not yet available for use.

Significant Accounting Policies for the year ended 31st March, 2024**Transition to Ind AS**

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as of April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Depreciation

Depreciable amount for assets in the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided on straight line method, over the useful life of the assets, as specified in schedule II to the companies Act, 2013 and is recognised in the statement of profit and loss.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Building constructed on leasehold land is depreciated based on the useful life specified in schedule II to the companies Act, 2013 where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.03 Intangible Asset**Recognition and Measurement**

The items of intangible assets, with finite life, are measured at cost less accumulated amortisation and impairment losses, if any. Cost of an item of intangible assets comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

Disposal/Write-off

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3.03 Intangible Asset (continued)**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying values as at 1 April 2016 under previous GAAP of all its intangible assets recognised as at 1 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss. The estimated useful life of intangibles are as follows:

Significant Accounting Policies for the year ended 31st March, 2024

Asset	Management estimate of useful life (years)
Computer software	5

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.04 Non-current Assets Held for sale

The Company classifies a non-current asset (or disposal group) as held for sale if it satisfies the following conditions:

- the asset (or disposal group) is available for immediate sale in its present condition
- the management is committed to a plan to sell the asset
- a buyer has been located or atleast a programme is in place to locate a buyer
- the sale is expected to be completed within a year

The asset held for sale is recognized at carrying amount except in cases where the fair value less cost to sell is lower than the carrying amount.

The company recognizes the impairment lose at write down of the asset to fair value less cost to sell.

3.05 Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and accessories:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

Trading Goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.06 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Significant Accounting Policies for the year ended 31st March, 2024

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

3.06 Impairment (continued)

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

A. Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Significant Accounting Policies for the year ended 31st March, 2024

B. Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

C. Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.07 Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Significant Accounting Policies for the year ended 31st March, 2024

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

A. Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost
- Fair value through other comprehensive income (FVOCI) - debt investment;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit & loss- (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and Interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

B. Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

Significant Accounting Policies for the year ended 31st March, 2024

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

C. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

D. Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Significant Accounting Policies for the year ended 31st March, 2024

D.1 Financial assets: Subsequent measurement and gains and losses

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

E. Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii Derecognition

A. Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

B. Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Significant Accounting Policies for the year ended 31st March, 2024

3.08 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.

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the 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.

3.09 Employee Benefits

a) Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Benefits such as salaries, short term compensated absences etc., and the expected cost of bonus is recognized in the period in which the employee renders the related services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the related service

b) Post-Employment Benefits

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Defined contribution plans

Employees receive benefits from a provident fund and employee state insurance funds. The employer and employees each make periodic contributions to the plan as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made.

Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Company's liability

Significant Accounting Policies for the year ended 31st March, 2024

towards Gratuity are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence.

3.10 Borrowing Cost

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

3.11 Leases

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- a. the Contract involves the use of an identified asset
- b. the Company has substantially all of the economic benefits from use of the asset through the period of lease
- c. the Company has the right to direct the use of asset

Leases as Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. When ever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease

Leases as Lessee

As at the date of commencement of the lease, the Company recognises a right of use

Significant Accounting Policies for the year ended 31st March, 2024

asset("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for the leases with a term of twelve month or less (short term leases) and low value leases. For these short term leases, the Company recognises the lease payments as an operating expense on a straight line basis over the period of lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease and related prepaid amount plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the market . Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. The Right-of-Use asset has been disclosed within the same line item as that within which the corresponding underlying asset would be presented. Where the Right-of-Use asset meets the definition of Investment Property such items has been presented in Balance sheet as Investment Property. Lease liability have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

The following is the summary of practical expedients elected on initial application:

1. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
2. Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease
3. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
4. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3.12 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.

Significant Accounting Policies for the year ended 31st March, 2024

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 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.

3.13 Income Tax

a. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

c. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Significant Accounting Policies for the year ended 31st March, 2024

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.14 Provisions and Contingencies

a. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

3.15 Cash and cash equivalents

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.

3.16 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a 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.

3.17 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

3.18 GST input credit

GST input credit is accounted in the books in the period in which the underlying service as well as invoice is received and when there is no uncertainty in availing / utilizing the credits.

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)
A. Equity Share Capital	
Particulars	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid	
Balance as at 1 April 2021	430.00
Add: Issue of shares	-
Balance as at 31 March 2022	430.00
Balance as at 1 April 2022	430.00
Add: Issue of shares	-
Balance as at 31 March 2023	430.00
Balance as at 1 April 2023	430.00
Add: Issue of shares	-
Balance as at 31 March 2024	430.00

Particulars	Reserves & Surplus			Other Comprehensive Income		Total
	Securities premium reserve	General Reserve	Retained earnings	Equity Instruments through OCI	Remeasurements of the net defined benefit plans	
Balance at 31 March, 2021	349.14	173.77	(816.61)	(49.85)	(9.35)	(352.90)
Loss for the year	-		(131.66)	-	-	(131.66)
Other Comprehensive income			-	-	2.49	2.49
Balance at 31 March, 2022	349.14	173.77	(948.27)	(49.85)	(6.86)	(482.07)
Loss for the year			(12.23)			(12.23)
Other Comprehensive income					1.81	1.81
Balance at 31 March, 2023	349.14	173.77	(960.50)	(49.85)	(5.05)	(492.49)
Profit for the year			31.86			31.86
Other Comprehensive income					0.72	0.72
Balance at 31 March, 2024	349.14	173.77	(928.64)	(49.85)	(4.33)	(459.91)

for and on behalf of the board of directors of
Spice Islands Industries Limited
(Previously Known as Spice Islands Apparels Limited)

Sd/-
Shikha Bhura
Chairman & Director
DIN : 07799537

Sd/-
Sandeep Merchant
Whole Time Director
DIN : 05210128

Sd/-
Faraaz Chapra
CFO & Director
DIN : 07854286

Sd/
Arti Lalwani
Company Secretary

Place : Mumbai
Date : 28th May, 2024

Place : Mumbai
Date : 28th May, 2024

Place : Mumbai
Date : 28th May, 2024

Significant Accounting Policies for the year ended 31st March, 2024

Note 4 : Property, Plant and Equipment

(Rs. in Lacs)

Particulars	Building	Furniture and fixtures	Electrical equipments	Plant and machinery	Computer	Office equipment	Motor vehicles	Total
31 March 2021								
Gross Carrying amount	29.94	20.10	7.16	95.41	4.53	27.14	139.30	323.58
Opening Accumulated Depreciation	-	-	-	5.92	-	1.67	-	7.59
Depreciation Charge for the year	-	(8.43)	(3.15)	(29.95)	(3.63)	(1.78)	(89.29)	(136.24)
Closing Gross Carrying amount	29.94	11.66	4.00	71.38	0.89	27.03	50.01	194.92
Accumulated Depreciation								
Opening Accumulated Depreciation	4.71	11.16	4.05	22.12	3.73	15.72	65.68	127.18
Depreciation Charge for the year	1.05	1.16	0.27	5.90	0.09	3.40	15.50	27.37
Disposals	-	(8.03)	(3.09)	(8.68)	(3.56)	(1.69)	(59.31)	(84.37)
Closing Accumulated Depreciation	5.76	4.28	1.23	19.34	0.26	17.44	21.87	70.18
Net Carrying Amount as at 31 March 2021	24	7.38	2.77	52.04	0.64	9.59	28.14	124.74
31 March 2022								
Gross Carrying amount								
Opening Gross Carrying amount	29.94	11.66	4.00	71.38	0.89	27.03	50.01	194.92
Additions	-	-	-	12.47	-	-	-	12.47
Disposals	-	(4.27)	(3.09)	(9.99)	(0.89)	(12.31)	(23.01)	(53.56)
Closing Gross Carrying amount	29.94	7.40	0.92	73.86	-	14.72	27.00	153.83
Accumulated Depreciation								
Opening Accumulated Depreciation	5.76	4.28	1.23	19.34	0.26	17.44	21.87	70.18
Depreciation Charge for the year	1.05	0.84	0.98	7.34	0.09	1.59	2.62	14.51
Disposals	-	(0.66)	(1.56)	(1.13)	(0.34)	(7.63)	(3.80)	(15.13)
Closing Accumulated Depreciation	6.81	4.45	0.65	25.55	0	11.40	20.69	69.56
Net Carrying Amount as at 31 March 2022	23.13	2.94	0.26	48.31	0	3.32	6.31	84.27
31 March 2023								
Gross Carrying amount								
Opening Gross Carrying amount	29.94	7.40	0.92	73.86	-	14.72	27.00	153.83
Additions	-	-	-	-	-	0.23	-	0.23
Disposals	-	(7.40)	(0.92)	(9.02)	-	(14.72)	(27.00)	(59.06)
Closing Gross Carrying amount	29.94	-	-	64.84	-	0.23	-	95.01
Accumulated Depreciation								
Opening Accumulated Depreciation	6.81	4.45	0.65	25.55	-	11.40	20.69	69.56
Depreciation Charge for the year	1.05	0.13	-	2.39	-	0.07	0.63	4.27
Disposals	-	(4.59)	(0.65)	(1.09)	-	(11.46)	(21.32)	(39.11)
Closing Accumulated Depreciation	7.86	(0.00)	0.00	26.85	-	0.01	(0.00)	34.72
Net Carrying Amount as at 31 March 2023	22.08	0.00	0.00	37.99	-	0.22	0.00	60.29
Accumulated Depreciation								
Opening Accumulated Depreciation	7.86	-	-	26.85	-	0.01	-	34.72
Depreciation Charge for the year	1.05	-	-	2.88	-	0.04	-	3.97
Disposals	-	-	-	8.26	-	-	-	8.26
Closing Accumulated Depreciation	8.91	-	-	37.99	-	0.05	-	46.95
Net Carrying Amount as at 31 March 2024	21.03	-	-	-	-	0.18	-	21.21

Note : During the financial year 2023-24 and previous financial year there were no additions to Property plant & equipment through business combinations. During the year no proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988. All title deeds in respect of immovable properties covered under the above schedule are in the name of the company. The Company has not revealed any of its assets under Property Plant and Equipment

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
Note 5: Right-of-use Assets		
NIL		
Note 6: Intangible Assets		
NIL		
Non-current financial assets		
7 Investments		
Particulars	As at 31 March 2024	As at 31 March 2023
Investment in Mutual funds (quoted)		
Mutual Funds through FVOCI		
31 Mar 2024: Nil (31 Mar 2023: Nil)	-	-
Investment in Others (Unquoted)		
at FVTPL		
31st March 2024: Nil (31 Mar 2023: Nil)		
Aggregate amount of quoted investments and market value	-	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-
Non-current Financial Assets		
8 Loans		
Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Deposit with Corporate and others	-	20.00
	-	20.00
9 Non-Current tax Assets		
Particulars	As at 31 March 2024	As at 31 March 2023
Advance income-tax (net of provision for taxation)	9.64	6.02
	9.64	6.02
Non current -financial assets		
10 Other non-current assets		
Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	0.37	2.49
	0.37	2.49
Current Assets		
11 Inventories (valued at lower of cost and net realisable value)		
Particulars	As at 31 March 2024	As at 31 March 2023
Inventory of Accessories	-	-
Inventory Finished Goods	-	-
Inventory of Raw Materials	-	-
	-	-

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
Current financial assets		
12 Investments	As at	As at
Particulars	31 March 2024	31 March 2023
Investment in Equity Instruments (quoted)	0.40	0.16
Equity Shares at FVTPL		
Investment in mutual funds (quoted)	-	-
Mutual Funds at FVTPL		
	<u>0.40</u>	<u>0.16</u>
Aggregate amount of quoted investments and market value	0.40	0.16
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-
	<u>-</u>	<u>-</u>
13 Trade receivables	As at	As at
Particulars	31 March 2024	31 March 2023
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	-	5.53
(c) Trade Receivables which have significant increase in Credit Risk;	-	-
(d) Trade Receivables - credit impaired	-	-
	<u>-</u>	<u>5.53</u>
<p>There is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at any time during the reporting period.</p>		
14 Loans	As at	As at
Particulars	31 March 2024	31 March 2023
Unsecured, considered good		
Loans to Employees	-	-
	<u>-</u>	<u>-</u>
15 Cash and cash equivalents	As at	As at
Particulars	31 March 2024	31 March 2023
Cash on hand	0.69	0.37
Balances with banks		
- in current accounts	10.81	0.69
	11.50	1.06
Less: Book overdraft		
	<u>11.50</u>	<u>1.06</u>
16 Bank balances other than Cash and Cash Equivalents	As at	As at
Particulars	31 March 2024	31 March 2023
Balance earmarked for Unclaimed Dividends	6.28	6.28
	<u>6.28</u>	<u>6.28</u>

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
17 Other financial assets		
	As at	As at
Particulars	31 March 2024	31 March 2023
Interest receivable	-	3.25
Other Receivables	10.62	-
	10.62	3.37
Non-financial assets		
18 Other current assets		
	As at	As at
Particulars	31 March 2024	31 March 2023
Advance for supply of goods and rendering of services	-	-
Advance recoverable in Cash or Kind	-	-
Balances with government authorities	1.07	23.57
Less : Reserve for Doubt Assets	-	-1.60
Prepayments	-	0.29
	1.07	22.26
19 Equity		
	As at	As at
Particulars	31 March 2024	31 March 2023
Authorised capital 50,00,000 (31 March, 2023 : 50,00,000)		
Equity shares of Rs. 10 each Issued, subscribed and paid-up 43,00,000 (31 March, 2023: 43,00,000)	500.00	500.00
Equity shares of Rs. 10 each	430.00	430.00
	430.00	430.00
a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period		
	As at	As at
Particulars	31 March 2024	31 March 2023
(Number of shares)		
At the beginning of the period	43.00	43.00
Issued during the period	-	-
Outstanding at the end of the period	43.00	43.00
b) Rights, preferences and restrictions attached to equity shares:		
(i) The Company has only one class of shares referred to as equity shares having par value of Rs 10 each.		
(ii) Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders' meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting.		
(iii) The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.		
(iv) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(v) Each Share holder has a right to inspect the statutory registers of the company as per the provisions of the companies act, 2013.		
(vi) Each and every share holder has a right to participate in the share holders's meetings as and when called by the company subject to provisions of the Companies Act, 2013.		

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Significant Accounting Policies for the year ended 31st March, 2024

c) Equity shareholders holding more than 5 percent shares in the Company: Name of the shareholder	(Rs. in Lacs)		(Rs. in Lacs)	
	As at 31 March 2024		As at 31 March 2023	
	No. of shares	%	No. of shares	
Fotoset Trading Pvt.Ltd.	26.87	62.50%	0	0
Umesh Katre			11.92	21.73%
Seema Katre		-	8.86	20.60%
Umesh M. Katre (HUF)		-	3.15	7.33%
Nalini M. Katre		-		-
Mohan G. Katre (HUF)		-	2.55	5.93%
	<u>26.87</u>		<u>26.49</u>	

Note:

As per the records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- (d) Shares reserved for issue under options & contracts/commitments for sale of shares /disinvestment, including the terms & amounts - NIL
- (e) For period of 5 years immediately preceding the balance sheet date.
 - Alloted as fully paid up by way of bonus shares NIL
 - Bought back NIL
 - For consideration other than cash- NIL
- (f) Securities convertible into equity /preference shares issued - NIL
- (g) No Calls Unpaid
- (h) Issue of securities made for a specific purpose at the balance sheet date - NIL

20 Other Equity

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Retained Earnings		
Balance as at beginning of the reporting period	(960.50)	(948.27)
Add: Net profit/(loss) for the period	31.86	(12.23)
	<u>(928.64)</u>	<u>(960.50)</u>
(ii) Other Reserves		
Securities premium	349.14	349.14
General Reserves	173.77	173.77
	<u>522.91</u>	<u>522.91</u>
Others (acturial gain/ (loss))		
(iii) Other comprehensive income		
Others (acturial gain/ (loss))	(54.16)	(54.90)
	<u>(54.16)</u>	<u>(54.90)</u>
	<u>(459.89)</u>	<u>(492.49)</u>

Financial liabilities (Non-Current)

21 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured		
Other Loan	62.50	13.78
	<u>62.50</u>	<u>13.78</u>

22 NIL

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Significant Accounting Policies for the year ended 31st March, 2024

Particulars	(Rs. in Lacs)			(Rs. in Lacs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	2.45	-	-	-
(2022-23)	1.63	-	-	7.89
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total 2023-24	2.45	-	-	-
Total (2022-23)	1.63	-	-	7.89

27 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current maturities of long-term debt		
- Vehicle Loans	-	-
Interest accrued but not due on borrowings	-	-
Other liabilities for expenses	-	27.15
Security Deposit	-	-
Provision for Expenses	34.24	50.99
	34.24	78.14

28 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advances received from customers	34.65	95.39
Advance received for sale of Non-Current Assets(Deposit)	-	-
Statutory dues	2.91	1.57
Unclaimed Dividends	6.28	6.28
	43.85	103.25

29 Provision

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
- Gratuity	0.25	0.50
	0.25	0.50

30 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of Products	-	52.64
Sale of Service	-	12.25
Other Operating Revenue	89.81	21.00
	89.81	85.89
Sale of Products		
- Finished Goods	-	52.64
- Traded Goods	-	-
Sale of Finished Goods		
- Garments	-	52.64
Sale of Service	-	12.25
Other Operating Revenue		
Professional Services	60.13	-
- Commission Income	29.67	13.19
- Export Incentives	-	7.80
	89.81	85.88

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
31 Other income		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Liabilities no longer payable written back	29.01	18.83
Lease Rent Income	12.00	-
Commission Charges on Sale	-	
ECGC REIMBUSHMENT	-	2.21
Net gain on foreign currency translation and transactions	-	1.01
Professional Services	-	
OTHER INCOME - MIS INCOME	0.08	0.004
Profit on sale of Investments	-	-
Profit on sale of Property, Plant & Equipment (net)	1.83	-
Fair value of investments through Profit and Loss	0.24	0.025
	43.17	22.08
32 Cost of materials consumed		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw Materials :		
Opening stock	-	0.18
Add: Purchases	-	46.80
	-	46.98
Less : Closing Stock	-	-
Raw Material Consumed (A)	-	46.98
Accessories :		
Opening stock	-	1.57
Add: Purchases	-	0.41
	-	1.98
Less: Closing stock	-	-
Accessories Consumed (B)	-	1.98
A+B	-	48.96
33 Changes in inventories of finished goods, stock in trade and work in progress		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year		
Finished goods - Garments	-	-
Inventories at the beginning of the year		
Finished goods - Garments	-	-
	-	-

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
34 Employee benefits expenses		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary and wages	3.95	2.75
Contribution to provident and other funds	0.01	0.01
Gratuity Expense	0.28	0.74
Staff welfare expenses	0.02	0.30
	4.26	3.80
35 Finance costs		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense	6.27	3.10
Interest expense on Lease Liabilities (Ind AS 116)	-	-
Interest on delayed payment of taxes	0.08	2.03
Bank Charges	0.02	0.87
Other Borrowing Cost	-	-
	6.37	6.00
36 Depreciation and Amortisation		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation Charges on Tangible assets	3.97	14.51
Depreciation Charges on Right-of-use asset	-	-
Amortisation Charges	-	-
	3.97	14.51
37 Other expenses		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	0.67	2.34
Repairs and maintenance:	-	-
- Building	-	-
- Plant & Machinery	-	-
- Others	1.18	2.47
Job work charges	-	-
Embroidery charges	-	-
Testing Charges	-	0.69
Commission	-	-
Conveyance expense	0.11	0.45
Service charges	6.83	7.56
Rates and taxes	38.05	6.77
Freight	-	-
Clearing and forwarding charges	-	0.33
Communication costs	0.68	1.10
Travelling charges	0.57	-

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
Printing and stationery	0.15	0.17
Legal and professional charges	17.95	9.40
Business Promotion Expenses	-	1.18
Advisiting & Publicity	2.40	
Insurance	0.32	1.53
Rent	-	7.02
Loss of Sale of Property, Plant and Equipment	-	4.60
Office Expenses	0.20	0.64
Fair value of investments through P&L	-	-
Impairment of Property, Plant and Equipment	-	-
Directors' sitting fees	0.80	0.08
No More Receivables	7.47	-
Provision for Doubtful Assets	-	1.60
Payment To Auditors	3.00	3.00
Miscellaneous Expenses	6.13	4.26
	86.51	55.19
Diminish value credit		

38 Exceptional Item

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loss on sale of Investment	-	-
	-	-

39 Contingent liabilities, commitments and Contingent Assets

Particulars	As at 31 March 2024	As at 31 March 2022
Contingent liabilities		
Income Tax matters pending before the authorities	-	-
<p>The Company is also involved in other lawsuits, claims, investigations and proceedings, which arise in the ordinary course of business, however, there are no such matters pending that the company expects to be material in relation to its business.</p>		
Contingent Assets		
Receivable from Emer Hotels and Suits Pvt Ltd (Refer Note 49)	26.21	26.21

40 Disclosure with respect to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). However as on date, the Company has not received any information with regard to vendors who have obtained registration under the said act. Accordingly, the Company has disclosed the entire amount as payable to vendors other than Micro, small and Medium enterprise.

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
41 Payment to Auditors	As at 31 March 2024	As at 31 March 2023
Particulars		
As auditor		
- statutory audit	3.00	3.00
- for taxation matters	-	-
Reimbursement of expenses	-	-
	3.00	3.00

42 (Loss) per share

The following table sets forth the computation of basic and diluted earnings per share :

(Figures in Rupees except number of shares)

	As at 31 March 2024	As at 31 March 2023
Particulars		
Profit for the period	32.58	(10.42)
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share	43.00	43.00
Earnings per share, basic and diluted*	0.76	(3.06)

*The Company has no potentially dilutive equity shares

43 Corporate Social Responsibility

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year ended March 31, 2024.

44 Confirmations

Balances of Trade Receivables, Trade Payables, Loans and Advances, Receivables and Payables are subject to confirmation / reconciliation, if any

45 Income tax

A. Amounts recognised in statement of profit and loss

Particulars

For the year ended

	31 March 2024	31 March 2023
Current income tax	-	-
Deferred tax recognised	-	-
Minimum Alternate Tax credit entitlement	-	-
Income tax (credit) / expense reported in the statement of profit or loss	-	-

B. Income tax recognised in other comprehensive income

Particulars

For the year ended

	31 March 2024	31 March 2023
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	-	-
Income tax charged to OCI	-	-

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
C. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Particulars	For the year ended	
	31 March 2024	31 March 2023
Profit before income tax	31.86	(10.25)
Domestic tax rate *	25.00%	26.00%
Tax using the Company's domestic tax rate	7.96	(2.67)
Impact of non-deductible expenses for tax purposes	10.49	8.27
Impact of Depreciation (disallowance as per books and allowance as per IT act)	(2.83)	(10.08)
Impact of deductions allowable on payment basis	0.28	0.74
Current year depreciation losses for which deferred tax asset is recognised		
Current year business losses for which no deferred tax asset is recognised	39.80	11.33
Impact of Deferred Tax (credited)/charged during the year		
Income tax expense	-	-

* The Company suffers from Loss, therefore does not recognise any tax expense

D. Deferred Tax

Deferred tax relates to the following:

	As at 31 March 2024	As at 31 March 2023
Particulars		
Reversal of Deferred tax asset	-	-
Deferred tax Asset		
Property, Plant and Equipment	10.93	10.93
Provision for Bonus and other Employee Provision	6.67	6.67
Fair Valuation of Investments	1.12	1.12
On unexpired tax losses	48.70	48.70
Deferred tax assets/ (liability)	67.42	67.42

E. Temporary Differences on which Deferred Tax asset is not created

Particulars	As at 31 March 2024		As at 31 March 2023	
	Gross Amount	Unrecognised tax asset/ (liability)	Gross Amount	Unrecognised tax asset/ (liability)
Unused Business tax losses	970.71	242.68	970.71	244.33
Unused Depreciation tax losses	245.12	61.28	241.15	60.70
Unused losses under Capital gains	217.87	54.47	217.87	54.84
	1,433.70	358.43	1,429.73	359.86

The unabsorbed business loss can be carried forward only for a period of 8 years from the year they arise.

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
46 Expenditure in Foreign Currency and CIF Value of Imports		
Particulars	As at 31 March 2024	As at 31 March 2023
(a) Expenditure on Foreign Currency		
Travelling Expense	-	-
Commission	-	-
(b) Value of Imports on CIF Basis	-	-
	-	-
	-	-

	(Rs. in Lacs)	(Rs. in Lacs)
47 Earnings in Foreign Exchange		
Particulars	As at 31 March 2024	As at 31 March 2023
Export of Goods on FOB basis	-	50.64
	-	50.64
	-	50.64

48 Operating Lease Disclosure

Under Ind AS 116 lessees have to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for lease contracts except for the leases with a term of twelve month or less (short term leases) and low value leases. For these short term leases, the Company recognises the lease payments as an operating expense.

(a) Disclosure pertaining to Ind AS 116

Particulars	As at 31 March 2024
Depreciation charge on the Right-of-use asset	--
Interest Expense on Lease Liabilities	--
Expense relating to short term leases charged to statement of profit and loss	--
	--
	--

(b) Lease expenses incurred for year ended 31 March 2022

Lease Payments in Statement of Profit or Loss	As at 31 March 2024
On account of non-cancellable lease*	
On account of cancellable lease	
	--
	--

(c) The company has commitment under non-cancellable operating leases as follows:

Minimum Lease Payments	As at 31 March 2024	As at 31 March 2023
Due within one year	-	-
Due later than one year and not later than five years	-	-
Due later than five years	-	-
	-	-
	-	-

*The above figures are absolute and do not take into account the effect on rent (if any) due to fair valuation and unwinding of security deposit

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Significant Accounting Policies for the year ended 31st March, 2024

- 49 Note with regard to Amount receivable from Emer Hotels & Suits Pvt Ltd** (Rs. in Lacs) (Rs. in Lacs)
- Since, the consideration of Rs. 26,20,843 is contingent on happening of an event in future, the outcome of which cannot be ascertained accurately as at balance sheet date, the same has not been recognized in the books of account as at 31 March 2024.

50 Unclaimed Dividends on Equity Shares:

Particulars	As at 31 March 2024	As at 31 March 2023
2012-2013	-	-
2013-2014	1.92	1.92
2014-2015	2.81	2.21
2015-2016	1.55	1.55
	6.28	6.28

51 Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Makers (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. The Company's sole business segment was manufacturing of textiles consisting of yarn, fabrics and garments upto the year 31st March 2023, however the company has diversified into various other activities with effect from 1st April 2024. Consequently, the management believes that there are no reportable segments as required under Ind AS 108 - 'Segment Reporting'.as on the Balance Sheet date.

Information about major customers (entity wise disclosures)

Particulars	As at 31 March 2024	As at 31 March 2023
Customer 1	-	50.64
Customer 2	-	-
Customer 3	-	8.74
	-	59.38

Information about geographical areas (entity wise disclosures)

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue from customers attributable to UK	-	-
Revenue from customers attributable to UAE	-	50.64
Revenue from customers attributable to other foreign Countries	-	-
Revenue from customers from India	-	8.74
	-	59.38

52 Export Benefit Incentives

The Company has accounted an amount of Rs. Nil (31 March 2023 : Rs. 6.74 lakhs) under "other operating revenue", being the net amount of credit under various export incentive schemes as announced under Foreign trade Policy. The same will be either be sold or utilized for off-setting customs duty on future imports.

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Significant Accounting Policies for the year ended 31st March, 2024

53 Employee benefits

(Rs. in Lacs)

(Rs. in Lacs)

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Particulars	As at 31 March 2024	As at 31 March 2023
I. Changes in present value of defined benefit obligations during the year	9.81	11.34
Service cost	-	0.32
Interest Cost	0.71	0.82
Past Service Cost	-	-
Benefits settled	-	(0.87)
Actuarial (gain) / loss due to change in Demographic Assumptions	-	-
Actuarial (gain) / loss due to change in Financial Assumptions	-	-
Actuarial (gain) / loss due to change in Experience	(0.71)	(1.81)
Present Value of Defined Benefits at the end of the year	9.82	9.81
II. Plan assets at year beginning, at fair value	5.97	5.57
Interest Income	0.44	0.40
Return on Plan Assets excluding Interest	0.02	-
Contributions	-	-
Benefits settled	-	-
Plan assets at end of the year, at fair value	6.43	5.97
III. Reconciliation of present value of the obligation and the fair value of the plan assets:		
Closing obligations	(9.82)	(9.81)
Closing fair value of plan assets	6.43	5.97
Asset / (liability) recognised in the balance sheet	(3.39)	(3.84)
IV. Net Interest Cost for the period		
Interest Cost	0.71	0.82
Interest Income	(0.44)	(0.40)
Net Interest Cost for the period	0.28	0.42
V. Expenses Recognized in the Statement of Profit or Loss for Current Period		
Service cost	-	0.32
Net Interest cost	0.28	0.42
Past Service Cost	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Expenses Recognized	0.28	0.74

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
VI. Expenses Recognized in the Other Comprehensive Income (OCI) for the current period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.72)	(1.81)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(0.72)	(1.81)
VII. Category of Assets		
Insurance fund	6.43	5.97
VIII. Maturity Analysis of the Benefit Payments:		
1st Following Year	9.82	9.81
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 to 10	-	-
Sum of Years 11 and above	9.82	9.81
IX. Sensitivity Analysis for significant assumptions		
Salary Escalation - Up by 1%	0.00	0.00
Salary Escalation - Down by 1%	0.00	0.00
Attrition Rates - Up by 1%	0.00	0.00
Attrition Rates - Down by 1%	0.00	0.00
Discount Rates - Up by 1%	0.00	0.00
Discount Rates - Down by 1%	0.00	0.00
Assumptions		
Interest rate	7.11%	7.29%
Discount rate	7.11%	7.29%
Estimated rate of return on plan assets	7.11%	7.29%
Salary increase	4.00%	4.00%
Attrition rate	50.0%	2.0%

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
54. Related party disclosures		
A. Related parties where control exists		
Umesh Katre	Joint Control	
Seema Katre	Joint Control	
Umesh M. Katre (HUF)	Joint Control	
Nalini M. Katre	Joint Control	
Mohan G. Katre (HUF)	Joint Control	
B. Key management personnel		
Shikha Sethia Bhura	Chairman (w.e.f. 28.05.2024)	
Shikha Sethia Bhura	Director (w.e.f. 08.11.2023)	
Sandeep J. Merchant	Whole Time Director (w.e.f. 08.11.2023)	
Faraaz I Chapra	Additional Director / CFO (w.e.f. 10.04.2024)	
Chirag Chandulal Rajapopat	Additional Director (w.e.f. 10.04.2024)	
Shivanand Rama Hemmady	Director (w.e.f. 08.11.2023)	
Seema Katre	Whole Time Director (upto 07.11.2023)	
Neeraj Madhukar Desai	Independent Director (upto 08.11.2023)	
Nilesh Shyam Shevade	Independent Director (upto 19.04.2023)	
Sandeep Vishwanath Khedekar	Chief Financial Officer upto 31.03.2024	
Surbhi Pochori	Company Secretary (upto 10.04.2024)	
Arti Lalwani	Company Secretary (w.e.f. 28.05.2024)	

(i) Related party transactions

Particulars	As at 31 March 2024	As at 31 March 2023
<u>Key Management personnel compensation</u>		
Seema Katre		
Short term employee Benefits	-	-
Post employment Benefits	9.82	9.81
Sandeep Vishwanath Khedekar		
Short term employee Benefits	5.32	6.19
Sunil Joshi		
Short term employee Benefits	-	2.38
Surbhi Pochori		
Short term employee Benefits	3.00	0.38
<u>Director's Sitting Fees</u>		
Neeraj Madhukar Desai	0.08	0.08
Milind Desai	0.23	
Shikha Bhura	0.25	
Shivanand Hemmady		

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)	(Rs. in Lacs)
(ii) Amount outstanding as at the balance sheet date		
Particulars	As at 31 March 2024	As at 31 March 2023
<u>Director's Salary Payable</u>		
Umesh M. Katre	22.57	22.57
Seema Katre	-	20.55

55 Financial instruments - Fair Value

A The carrying value and fair value of financial instruments by categories are as below:

Particulars	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
- Financial Assets at Amortised Cost (Non-Current)				
- Loans 8	-	20.00	-	-
- Other financial assets	0.37	2.49	-	-
- Financial Assets at Amortised Cost (Current)				
- Trade receivable 13	-	5.53	-	-
- Loans 14	-	-	-	-
- Cash and cash equivalents 15	11.50	1.06	-	-
- Other bank balances -	-	-	-	-
- Other financial assets 17	10.62	3.25	-	-
(A)	22.49	32.33	-	-
- Financial Liabilities at Amortised Cost (Non-Current)				
- Borrowings 21	62.50	62.50	-	-
- Other financial liabilities 23	-	-	-	-
- Financial Liabilities at Amortised Cost (Current)				
- Borrowings 25	-	-	-	-
- Trade and other payables 26	2.45	9.52	-	-
- Other financial liabilities 27	34.24	78.14	-	-
(B)	99.19	150.16	-	-
Financial Assets/Liabilities at Amortised Cost (A-B)	(76.70)	(117.83)	-	-
- Financial Asset at FVTPL (Non- Current)				
- Investments 7	-	-	-	-
- Financial Asset at FVTPL (Current)				
- Investments 12	0.40	0.16	0.40	0.16
Financial Assets/Liabilities at FVTPL	0.16	0.14	0.16	0.14
- Financial Asset at FVOCI (Non- Current)				
- Investments 7	-	-	-	-
Financial Assets at FVOCI	-	-	-	-

Significant Accounting Policies for the year ended 31st March, 2024

(Rs. in Lacs)

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of assets measured at fair value on recurring basis as at March 31, 2024 and March 31, 2023

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024 :-

Particulars	Note	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:					
FVTPL financial investments					
Quoted Equity Instruments - Current	12	0.40	0.40	-	-
	7	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:

Particulars	Note	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:					
FVTPL financial investments					
Quoted Equity Instruments - Current	12	0.16	0.16	-	-
- Non - Current	7	-	-	-	-
Quoted Mutual Funds - Current	12	-	-	-	-
- Non - Current	7	-	-	-	-
Others - Non - Current	7	-	-	-	-
FVOCI financial investments					
Quoted Mutual Funds - Non - Current	7	-	-	-	-

Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2024 and 31 March 2023 respectively.

Valuation technique used to determine fair value

The management assessed that cash and cash equivalents, trade receivables, trade payables, short term borrowings and other current liabilities and assets approximate their carrying amounts due to the short-term maturities of these instruments.

Significant Accounting Policies for the year ended 31st March, 2024

(Rs. in Lacs)

Fair values of assets and liabilities have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- i) The fair value of Investment in listed Equity shares and mutual funds and are based on price quotations at reporting date.
- ii) The Fair value of Investment in unlisted equity shares have been determined based on Net Asset Value Method

C Fair value measurements using significant unobservable inputs (level 3)

	No of Units	As at 31 March 2024	No of Units	As at 31 March 2023
Opening Balance	-	-	-	-
Acquisitions	-	-	-	-
Less: Sold during the year	-	-	-	-
Gains / (Loss) recognised through Other Comprehensive Income	-	-	-	-
Closing Balance	-	-	-	-

56 Note on Going Concern

The Company has earned Net Profits after tax of Rs 32.58 lakhs during the year and the total equity stands at a negative Rs 29.91 lakh as at 31 March 2024 as against Rs.-62.49 lakhs as at 31 March 2023. The company has undertaken several cost cutting measures, to further cut down expenses and reduce losses and company has also ventured into new line of activities. Company believes that it will be able to recover from losses in the next succeeding years once the market stabilises. Accordingly, the accompanying Company's financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the settlement of liabilities in the normal course of business..Accordingly, the financial statement has been prepared on a going concern basis

57 NIL

58 NIL

59 Disclosure with respect to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). However as on date, the Company has not received any information with regard to vendors who have obtained registration under the said act. Accordingly, the Company has disclosed the entire amount as payable to vendors other than Micro, small and Medium enterprise.

60 Financial risk management

The Company has exposure to following risks arising from financial instruments-

- credit risk
- market risk
- liquidity risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to

Significant Accounting Policies for the year ended 31st March, 2024

(Rs. in Lacs)

monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relations to the risks faced by the Company.

A Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Currency risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates will effect company's income or value of its holding financial assets/ instruments. The exchange rate between the Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD), Euro (EUR), and British Pound (GBP).

a) Nature Of Instrument

	As at 31 March 2024	As at 31 March 2023
Unhedged Unhedged Foreign Exchange Exposures		
Trade Receivables		-
	-	-

(b) Foreign Currency Risk from Financial Instrument as of Nature Of Instrument

Nature Of Instrument	As at 31 March 2024		
	USD	GBP	Total
Trade Receivables	-	-	-
Net Assets/Liabilities	-	-	-

(b) Foreign Currency Risk from Financial Instrument as of Nature Of Instrument

Nature Of Instrument	As at 31 March 2023		
	USD	GBP	Total
Trade Receivables	0.00	0.00	0.00
Net Assets/Liabilities	-	-	-

(c) Sensitivity Analysis

A reasonably possible change in foreign exchange rates by 2% would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

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Significant Accounting Policies for the year ended 31st March, 2024

Particulars	As at 31 March 2024	(Rs. in Lacs) As at 31 March 2023
Impact on Profit and Loss Statement		
USD Sensitivity		
INR/USD - Increase by 2%	—	—
INR/USD - Decrease by 2%	—	—
GBP Sensitivity		
INR/USD - Increase by 2%	—	—
INR/USD - Decrease by 2%	—	—
Impact on Equity (Net of Tax)		
USD Sensitivity		
INR/USD - Increase by 2%	—	—
INR/USD - Decrease by 2%	—	—
GBP Sensitivity		
INR/USD - Increase by 2%	—	—
INR/USD - Decrease by 2%	—	—

B Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

(a) Exposure to interest rate risk:

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed-rate instruments:		
Financial liabilities	62.50	62.50
Variable-rate instruments:		
Financial assets		
Financial liabilities	-	-
	62.50	62.50

(b) Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk as defined Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates.

Significant Accounting Policies for the year ended 31st March, 2024

(Rs. in Lacs)

(c) Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% (100 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below:

	As at 31 March 2024	As at 31 March 2023
Impact on Profit and Loss Statement		
Loan and Borrowing		
Increase by 1%	0.00	-
Decrease by 1%	(0.00)	-
Impact on Equity (Net of Tax)		
Loan and Borrowing		
Increase by 1%	-	-
Decrease by 1%	-	-

B Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. More than 90% of the Company's customers have been transacting with the Company for continuous periods, and no significant impairment loss has been recognized against these customers due to the realisation within the credit period. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties

Particulars	Less than 3 months	3-12 months	More than 12 months	Total
As at 31 March, 2024	0.00	0.00	0.00	0.00
As at 31 March, 2023	2.82	0.00	2.71	5.53

C Liquidity Risk

Liquidity is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing the liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To ensure continuity of funding, the Company primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs. The Company believes that the working capital met by short term borrowings is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

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Significant Accounting Policies for the year ended 31st March, 2024

	(Rs. in Lacs)				
	Contractual cash flows				
	Carrying value	Total	Less than 1 year	1 - 5 years	more than 5 years
31 March 2024					
Long Term Borrowings	62.50	62.50	62.50	-	
Trade payables	2.45	2.45	2.45	-	-
Short Term Borrowings	-	-	-	-	-
Other current financial Liabilities	34.24	34.24	34.24	-	-
	99.19	99.19	99.19	-	-
31 March 2023					
Long Term Borrowings	62.50	62.50	62.50	-	
Trade payables	9.52	9.52	9.52	-	-
Short Term Borrowings	-	-	-	-	-
Other current financial Liabilities	78.14	78.14	78.14	-	-
	150.16	150.16	150.16	-	-

D Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the Balance Sheet either as Fair Value through OCI or fair value through profit or loss. To manage the price risk arising from investments in equity securities, the Company diversifies its portfolio. The majority of the investments held by the Company are publicly traded. For the year ended 31 March 2023, the Company has liquidated the majority of their investments.

Sensitivity

The table summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the Equity Index had increased or decreased by 8% with all other variables remaining constant and that all the Company's Equity Instruments moved in line with the index.

	As at 31 March 2024	As at 31 March 2023
Impact on Profit and Loss Statement		
NSE Nifty Index		
Increase by 8%	0.03	0.01
Decrease by 8%	(0.03)	(0.01)
Impact on Equity (Net of Tax)		
NSE Nifty Index		
Increase by 8%	0.03	0.01
Decrease by 8%	(0.03)	(0.01)

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Significant Accounting Policies for the year ended 31st March, 2024

(Rs. in Lacs)

61 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust its capital structure, the Company may adjust the amount of dividends paid, return the capital to shareholders, issue new shares or adjust its short term borrowings. The current capital structure of the Company is equity based backed with short term borrowings.

	As at 31 March 2024	As at 31 March 2023
Long Term Borrowings (incl Current Maturities)	62.50	62.50
Short Term Borrowings	-	-
Total Borrowings (A)	62.50	62.50
As a percentage of total capital	191.76%	710025.60%
Total equity (B)	-29.91	-62.49
As a percentage of total capital	-91.76%	-709925.56%
Total Capital (A+B)	32.59	0.01

62 Capital management

Particulars	Numerator	Denominator	2023-24	2022-23	Change in %
Current Ratio	Current Assets	Current liabilities	0.37	0.20	0.17
Debt-Equity Ratio	Debt	Equity	-2.09	-1.00	-1.09
Return on Equity Ratio	Net Profit after tax	Opening Equity	-51%	0.23%	-0.51
Inventory turnover ratio	COGS	Average Inventory	0.00	55.97	-55.97
Trade Receivables turnover ratio	Revenue from Operation	Average Debtors	32.47	2.07	30.40
Trade payables turnover ratio	Purchase	Average Creditors	-	2.74	-2.74
Net capital turnover ratio	Revenue from Operation	Current Assets- Current Liabilities	-1.76	-0.56	-1.20
Net profit ratio	Net Profit after tax	Revenue from Operation	35%	-14%	0.49
Return on Capital employed	Profit before interest and taxes	Capital Employed= Equity+Debt	75%	-2%	0.77
Return on investment	Net Profit after tax	Equity	-1.07	0.20	-1.27

Significant Accounting Policies for the year ended 31st March, 2024

(Rs. in Lacs)

63 **Significant Change in above Ratios :**

The company has undertaken several cost cutting measures, to further cut down expenses and reduce losses. Company believes that it will be able to recover from losses in the next succeeding years once the market stabilises. Accordingly, the accompanying Company's financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the settlement of liabilities in the normal course of business.. Accordingly, the financial statement has been prepared on a going concern basis.

for and on behalf of the board of directors of
Spice Islands Industries Limited
 (Previously Known as Spice Islands Apparels Limited)

Sd/-

Shikha Bhura
 Chairman & MD
 DIN : 07799537

Sd/-

Sandeep Merchant
 Director
 DIN : 05210128

Sd/-

Faraaz I Chapra
 CFO & Director

Sd/-

Arti Lalwani
 Company Secretary

Place : Mumbai
 Date : 28th May, 2024

Place : Mumbai
 Date : 28th May, 2024

Place : Mumbai
 Date : 28th May, 2024

SPICE ISLANDS INDUSTRIES LIMITED

(PREVIOUSLY KNOWN AS SPICE ISLANDS APPARELS LTD.)

Unit 43-48, 3rdFloor, Bhandup Industrial Estate, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W), Mumbai - 400 078.