SPICE ISLANDS APPARELS LTD.

(Govt. Recognised Export House)

Admin. Office: 125-A, Mittal Tower, 12th Floor, 210, Nariman Point, Mumbai 400 021. India

Tel.: +91 (22) 6740 0800, 2282 3128 Fax: +91 (22) 22826167 www.spiceislandsindia.com

CIN NO : L17121MH1988PLC050197

28th September, 2021

To,
The Manager,
Listing Department
BSE Limited, Floor 25,
P J Towers, Dalal Street,
Mumbai – 400 001

Ref: - BSE Scrip Code 526827

Sub: Regulation 34 (Annual Report) of SEBI (LODR) Regulation, 2015.

Dear Sir,

Please find herewith a copy of Annual Report of the Company for the financial year ended on 31st March, 2021. The accounts were adopted by members of the Company in the 33rd Annual General Meeting held on 28th September, 2021 and there were no changes.

This is for your record.

Thank and Regards,

Yours Faithfully,
For SPICE ISLANDS APPARELS LTD

Umesh Katre
(Chairman)

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

SPICE ISLANDS APPARELS LTD.

33rd ANNUAL REPORT 2020-2021

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33rd ANNUAL GENERAL MEETING
VIA TWO-WAY VIDEO CONFERENCING ('VC') FACILITY OR OTHER AUDIO VISUAL MEANS ('OAVM')

BOARD OF DIRECTORS

Chairman
UMESH KATRE

Whole-time Director
SEEMA KATRE

Director
NILESH SHEVADE
NEERAJ DESAI

Chief Financial Officer
SANDEEP KHEDEKAR

Company Secretary
SUNIL D JOSHI

Bankers
BANK OF BARODA

Auditors
M/s. Tikekar and Associates LLP (Chartered Accountants)

REGISTERED OFFICE AND FACTORY

Unit 43-48, 3rdFloor,Bhandup Industrial Estate, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W), Mumbai - 400 078.
Tel. : 61992900
Corporate Identification Number : L17121MH1988PLC050197
WEBSITE : www.spiceislandsapparelslimited.in
Tel.: 61992900 Email:sales@spiceislandsindia.com

CORPORATE OFFICE

125-A, Mittal Tower, 210 Nariman Point, Mumbai 400 021
Tel.: 67400800 Fax : 22826167

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 APPARELS LIMITED

Unit 43-48, 3rdFloor,Bhandup Industrial Estate, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W), Mumbai - 400 078.
Corporate Identification Number: L17121MH1988PLC050197
Website: www.spiceislandsapparelslimited.in
Tel.: 61992900 Email: sales@spiceislandsindia.co

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRED (33rd) ANNUAL GENERAL MEETING OF THE MEMBERS OF SPICE ISLANDS APPARELS LIMITED WILL BE HELD ON TUESDAY, 28TH DAY OF SEPTEMBER, 2021 AT 11.00 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, 2021 together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mrs. Seema Katre (DIN 00196783) who retires by rotation and being eligible, offers herself 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), Tikekar and Associates LLP Chartered Accountants (Registration No. W100141) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this i.e. 33rdAnnual General Meeting until the conclusion of the 38th 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."

By order of the Board of Directors,
For Spice Islands Apparels limited

Sd/-
Umesh Mohan Katre
(Chairman)
(DIN: 00196300)

Place : Mumbai
Date : June 15, 2021

Notice of Annual General Meeting

ADDENDUM TO NOTICE OF 33rd ANNUAL GENERAL MEETING

The members may note that Spice Islands Apparels Limited had issued the Notice dated August 18, 2021 (the AGM Notice) for convening the 33rd Annual General Meeting (the AGM) of the Shareholders of the Company to be held on Tuesday, September 28, 2021 at 11.00 A.M. Via Two-Way Video Conferencing ('VC') Facility Or Other Audio Visual Means ('OAVM'). The AGM Notice has already been circulated to the Stock Exchange on August 18, 2021.

Subsequent to the intimation of the Notice of AGM to the Stock Exchange, Tikekar and Associates LLP. Chartered Accountants, (FRN: W100141), the Statutory Auditor of the Company vide their revocation letter dated August 31, 2021 has revoked their consent and expressed their un-willingness to continue as the Statutory Auditors of the Company. Therefore the item with respect to the appointment of Tikekar and Associates LLP. Chartered Accountants, (FRN: W100141) as statutory auditors of the Company for the financial year 2021-22 and onwards mentioned in the Ordinary Businesses as existing Agenda Item no. 3 of the AGM Notice become void and shall not be considered by the Shareholders for voting.

Pursuant to Section 140 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company has received a notice under Section 140 (4) of the Companies Act, 2013 from a Member of the Company, proposing the appointment Ashok Pandit & Co, Chartered Accountants (Registration No. 100674W and Peer Review No. 011996) in place of retiring auditor. As the Notice was received from a Statutory Auditor subsequent to circulation of the Notice of the AGM to the Stock Exchange, an Addendum to the Notice of 33rd AGM is being circulated to the members in terms of the aforesaid provisions of the Companies Act, 2013. Due to the notice received by the Company, existing item no. 3 of the Notice convening 33rd Annual General Meeting of the Members of the Company shall be replaced with the below mentioned Special resolution.

3. Appointment Ashok Pandit & Co, Chartered Accountants (Registration No. 100674W and Peer Review No. 011996) to hold office as Statutory Auditor of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as 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), Ashok Pandit & Co, Chartered Accountants (Registration No. 100674W and Peer Review No. 011996) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this i.e. 33rd Annual General Meeting until the conclusion of the 38th 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."

By order of the Board of Directors,
For Spice Islands Apparels limited

Umesh Mohan Katre
(Chairman)
(DIN: 00196300)

Place : Mumbai
Date : September 01, 2021

Notice of Annual General Meeting

Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 Business as proposed above to be transacted at the AGM is annexed hereto.
2. Relevant documents referred to in this Addendum to Notice of 33rd AGM are open for inspection by the Members at the Registered Office of the Company on all working days between 10.00 A.M. and 12.00 noon up to the date of the AGM.
3. This Addendum to the Notice of 33rd AGM is available along with the Notice of 33rd AGM on the website of the Company.

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013: Item No. 3

The Company has received revocation letter from existing statutory auditor of the Company Tikekar and Associates LLP (Chartered Accountants) (Firm Registration number: W100141) intending that they will not be able to act as statutory auditor of the Company vide their dated August 31, 2021.

And Accordingly the Board of Directors at its meeting held on September 1, 2021, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139, 140(4), 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment Ashok Pandit & Co, Chartered Accountants (Registration No. 100674W and Peer Review No. 011996), in place of Tikekar and Associates LLP (Chartered Accountants) (Firm Registration number: W100141) who have tendered their revocation letter and has revoked their consent and expressed their un-willingness to continue as the Statutory Auditors of the Company.

The Company has also received consent and eligibility certificate from Ashok Pandit & Co, Chartered Accountants (Registration No. 100674W and Peer Review No. 011996), to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Board recommends the Ordinary Resolution for approval of the Members and accordingly, consent of the members is sought for passing Ordinary Resolution for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise in the Resolution.

By order of the Board of Directors,
For **Spice Islands Apparels limited**

Sd/-
Umesh Mohan Katre
(Chairman)
(DIN: 00196300)

Place : Mumbai
Date : September 01, 2021

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IMPORTANT NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC/ OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. 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 dated April 8, 2020, April 13, 2020 and May 5, 2020 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.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. 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.
5. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members which are body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.spiceislandsapparelslimited.in. The Notice can also be accessed from the websites of the Stock Exchanges 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.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in

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demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd (Link Intime) for assistance in this regard.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

i. The voting period begins on Saturday September 25, 2021 from 9:00 a.m. and ends on Monday, September 27, 2021 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date i.e. September 22, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already cast vote electronically would not be entitled to vote again at the AGM but they can attend the AGM virtually.

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 by SEBI 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. 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 aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1. Users of who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System My easi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.

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Type of shareholders	Login Method
	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 link in www.cdslindia.com home page. 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 provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	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 re-directed 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 digit demat account number hold 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Important note : Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Help desk 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.comor contact at 022-23058738 and 22-23058542-43
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

V. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

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 Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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vi. After entering these details appropriately, click on "SUBMIT" tab.

vii. 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.

viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

x. 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.

xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xii. 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.

xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xv. 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.

xvi. Facility for Non – Individual Shareholders and Custodians – Remote Voting

- 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 SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

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2. 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 Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). 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 at companies email id at khedekar@spiceislandsindia.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ 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 Company/RTA email id.
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 022- 23058738 and 022- 23058542/43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 on 022-23058542/43.

10. Voting process and instruction regarding e-voting at AGM are as under:

    a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

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b. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available in the AGM.

c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

11. Instruction for members for attending the AGM through VC / OAVM are as under:

a. Member will be provided with a facility to attend the AGM through VC/ OAVM through the CDSL e-voting system. Members may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.

b. Members are encouraged to join the Meeting through Laptops / IPads for better experience. 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.

c. For ease of conduct, Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at khedekar@spiceislandsindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at khedekar@spiceislandsindia.com. These queries will be replied to by the company suitably by email.

d. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. Further the shareholders will be required to allow the camera for participation in the meeting as speaker.

12. General Guidelines for Members

a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

13. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date of September 22, 2021.

14. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 33rd AGM by email and holds shares as on the cut-off date i.e. September 22, 2021, may obtain the User ID and password by sending a request to the Company’s email address khedekar@spiceislandsindia.com. However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

15. 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 casting vote through e-Voting system during the AGM.

16. Mr. AlokKhairwar (Membership No. FCS 10031, CP12880) or failing him Mr. Rajkumar Gupta (Membership No. FCS 11272, CP18582) or failing them Ms. BeenaThuthgar (Membership No. ACS 47296, CP No. 18431) of M/s. AlokKhairwar& Associates, Practicing Company Secretaries have been appointed as the Scrutinizer

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to scrutinize the remote e-Voting process (including e-Voting at the meeting) in a fair and transparent manner.

17. During the 33rd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 33rd AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 33rd AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 33rd AGM.

18. The Scrutinizer shall after the conclusion of e-Voting at the 33rd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favor or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 33rd AGM, who shall then countersign and declare the result of the voting forthwith.

19. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.spiceislandsapparelslimited.in and on the website of CDSL at www.evotingindia.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited (BSE).

20. Pursuant to the circulars issued by MCA and SEBI, in view of the prevailing pandemic situation and owing to the difficulties involved in dispatching of physical copies of the Notice of the 33rd AGM and the Annual Report for the financial year 2020-21 including therein, inter-alia, the Audited Financial Statements for the financial year ended March 31, 2021, the same are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s and who wish to receive the Notice of the 33rd AGM and the Annual Report for the year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

    a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, name, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address: khedekar@spiceislandsindia.com.

    b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

21. The Notice of the 33rd AGM and the Annual Report for the financial year 2020-21 including therein, inter- alia, the Audited Financial Statements for the financial year ended March 31, 2021, will be available on the website of the Company at www.spiceislandsapparelslimited.in and the website of BSE Limited at www.bseindia.com. The Notice of 33rd AGM will also be available on the website of CDSL at www.evotingindia.com.

22. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 23, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of the Annual General Meeting.

23. Members are requested to:

    (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;

    (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;

    (c) encash the dividend warrants on their receipt as dividend amounts remaining unclaimed for seven

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years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 2013. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividend declared and paid up to dividend for the financial year 2013-14 shall be transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.

(d) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company shall transfer all shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more to the Investor Education and Protection Fund (IEPF) Authorities. The Company has given a Notice to the Shareholders to claim such unpaid dividends whichare due to transfer in the FY 2021-22 so that and the shareholders who wish to claim the said dividend/shares thereafter shall claim it from the IEPF by filing e-form No. IEPF-5 as prescribed under the said Rules available on iepf.gov.in along with requisite fee as decided by the Authority from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

(e) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. (Link Intime) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.

(f) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Pvt. Ltd.

4. During Fiscal 2019, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer.

5. Since the AGM will be held through VC/OAVM Facility, the Route Map of the AGM venue, proxy form and attendance slip is not annexed in this Notice.

By order of the Board of Directors,
For Spice Islands Apparels limited

Umesh Mohan Katre
(Chairman)
(DIN: 00196300)

Place : Mumbai
Date : June 15, 2021

DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their Thirty Third Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2021.

1. FINANCIAL RESULTS AND OPERATIONS

The Company's financial performance, for the financial year ended March 31, 2021 is summarized as below;

	STANDALONE 2020-21 Rs (in lacs)	STANDALONE 2019-20 Rs (in lacs)
Revenue from operations(net) and other income	675.57	1614.22
Loss Before Tax	(217.84)	(296.42)
Provision for tax (Deferred Tax / Previous Year tax adjustment)	0	2.89
Loss for the period of continuing operations	(217.84)	(293.53)
Less : Other Comprehensive Income	0	0
Loss After Tax	(217.84)	(293.74)
Balance brought forward from previous year	(598.77)	(305.23)
Deficit Carried to next year's account	(816.61)	(598.77)

Another year of disappointment due to continued lackluster market conditions and negative sentiments not only within India but also in the company's major markets in the Middle East and Europe.

The company in its last board meeting / AGM chose to suspend operations owing to the on-going Covid pandemic in India as well its customers markets. The view taken was unavailability of persons in the target customer offices in their countries due to revised work culture i.e., work from home. The business being such that requires personal presentation & relationship building has taken a tremendous hit & is unlikely to see any possibility of revival with the addition of new customers in the immediate future due to uncertainties on account of the prevalent worldwide pandemic. The company estimates even business from the company's regular customers is likely to shrink by 50% or more in the short to medium term. Add to this the devastating effect of the second wave in India, leading to massive disruptions across supply chains. Further adding to industry woes is the continued increase in fuel and raw material prices, specifically cotton yarns, making products out of India increasingly expensive. Overseas buyers are now preferring to source products from markets such as Bangladesh, Cambodia, Vietnam as they not only provide lower costs but also benefits such as 10% duty-free import. Furthermore, there is not enough Govt support being given to the industry, all this with the rising costs of manufacturing put pressure on company's bottom-line and make it near impossible to make acceptable margins.

Given this, we do not see any significant improvement till overseas markets stabilize and supply chain are restored. Till such time, the Company will only complete any pending orders delayed due to the lockdowns. The Company will continue to suspend activities till a clearer picture emerges.

COVID-19 (Both the waves) has caused significant disruptions to businesses across India. The management has considered the possible effects, if any, that may impact the carrying amounts of inventories, receivables, and intangibles. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects significant impairment to the carrying amounts of the machinery but not the immovable assets. 'The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

DIRECTOR'S REPORT

Considering overall financial position and drain on the resources, attempts are being made to curtail expenditure and keep strict monitoring of financial resources. As of now business continues to remain suspended.

2. DIVIDEND

Having regards to the losses incurred there is no question of any dividend being recommended.

3. RESERVES

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

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure & developments

Even though Govt has announced policies to revive the Textile & Garment Industry overall sentiment is low on account of increased costs across the board. In overseas markets recovery is still slow due to on-going Covid pandemic and threat of further deadly waves.

Opportunities and Threats

Market is muted both locally and internationally. There is hope of a pickup in demand but that is subject to on-going covid lockdowns / restrictions and correction of raw material costs.

Segment wise or product wise performance

Men's and Ladies tops still dominate the market although bottom wears also have made deep inroads. We are seeing few enquiries for lounge / comfort wear such as joggers / sweatpants. We expect this trend to continue for the next season.

Outlook

Overall, the outlook is muted as most customers are experiencing fewer footfalls in stores due to lockdowns / covid restrictions. On the manufacturing side, sustained increase in raw material costs such as yarn and fuel are causing prices to rise thereby making products from India expensive to source in the short to medium term.

Risk and concerns

Compliances are very much in place for overall required international expectations.

Internal control systems and adequacy

As an extension of above, there is a machinery function to regulate and control the expected parameters in the job work environment to ensure a first class work situation and consequent quality output.

Discussion on financial performance with respect to operational performance.

Against an emerging market and consequent changes of product movements, we too have had to go through a different product mix to flow along with. The impact, financial and / or otherwise, is being investigated.

Material development in Human Resources / Industrial relation front including number of people employed

In the field that we are in it is a must that we tune well with the changes around us which not only mean changes in product lines as required but also realignment of the human resources available in order that the Company moves ahead in the competitive environment.

5. CHANGE IN NATURE OF BUSINESS

The Company continues to undertake the garment activity and during the year under review there is no change in the nature of its business.

DIRECTOR'S REPORT

6. 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.

7. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary/Associate Company.

8. CORPORATE GOVERNANCE

Corporate Governance is about commitment to values, ethical business conduct and about considering all stakeholder's interest in conduct of business. Transparency and accountability are the two basic tenets of Corporate Governance. Your Company continues to lay great emphasis on the broad principles of Corporate Governance. Spice Island's philosophy on Corporate Governance is stated below:

PHILOSOPHY OF SPICE ISLANDS APPARELS LTD. ON CORPORATE GOVERNANCE:

At Spice Islands Apparels Ltd, we believe in adopting the "Best Practices" followed in the area of Corporate Governance. We emphasize the need for transparency and accountability in our businesses, in order to protect the interest of our stakeholders.

Corporate Governance is a continuous journey towards sustainable value creation for all the stakeholders.

Our vision is to be the most trusted partner for every stakeholder and we are committed to provide fair, transparent and equitable treatment to out stake holders.

Our core value system is guided by the principles of accountability, transparency, timely disclosure and dissemination of price sensitive information and matters of interest to the investors ensuring compliance with the applicable acts, laws, rules and regulations and conducting business in a best ethical manner. Accordingly, Corporate Governance stands on the aforesaid broad pillars of transparency, fairness in action, accountability and responsibility towards all the stakeholders.

Securities and Exchange Board of India has issued guidelines on the Corporate Governance for all listed companies through clause 49 of the erstwhile Listing Agreement and now embodied in Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. At Spice Islands Apparels Ltd., we are not only committed to follow the prescribed corporate practices embodied in various regulatory provisions but also the best international practices. We also believe that good governance practices flow from the culture and mindset of the top management and percolate down in the organizations

Since the paid up capital of the Company is less than Rs. 10 Crore and net worth is below Rs. 25 Crore, the Company is exempted from Corporate Governance provision as specified in regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. If same provisions are applicable to the Company at a later date, than the Company shall furnish the information as specified in Clause 49.

Attention of Member is also drawn to Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, whereby certain class of Companies was exempted from compliance of erstwhile Clause 49 of the Listing Agreement and your Company falls in the said Defined Class.

Accordingly, the information required under said clauses are not furnished hereafter. However, the Board of Directors at Company level has enforced complete adherence to the Corporate Governance norms.

9. ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014 and Section 134 (3) (a), the copy of Annual Return can be accessed on the website of the Company at www.spiceislandsapparelslimited.in

DIRECTOR'S REPORT

10. DIRECTORS

1. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligationand Disclosure Requirements) Regulations, 2015.
2. During the year under review members of the company confirmed re-appointment of Mrs. Seema U. Katre as a Whole Time Director in the Annual General Meeting held on 27th November, 2020. Except this there were no other changes in Board of Directors.

Name of Director	Designation	Changes
Seema Umesh Katre	Whole Time Director	Re-appointed as Whole Time Director w.e.f 12-11-2019 and confirm by the members in the Annual General Meeting held on 27th November 2020.

Mrs. Seema Umesh Katre, Director retires by rotation and, being eligible, offers herself for re-appointment at the ensuing Annual General Meeting of the Company. Your Directors recommend her appointment at Item No. 2 of the Notice convening the Annual General Meeting.

At present the total strength of the Board of Directors of the Company is four Directors out of which two Directors are Independent Directors, One Director is Executive Director and One Director is Promoter/ Non-executive Director (Chairman).

Name	Designation	Position	Date of appointment	Period of appointment
Mr. Umesh M. Katre	Chairman	Promoter-Non Executive Director	28/12/1988	-
Mrs. Seema U. Katre	Whole time Director	Executive Director	12th November, 2019 (Re-appointment) and confirm by the members in the Annual General Meeting held on 27th November 2020.	3 years
Mr. Neeraj M. Desai	Director	Independent Director	10th April, 2019	5 years
Mr. Nilesh S. Shevade	Director	Independent Director	13th August, 2019	5 years

COMMITTEES OF THE BOARD:

- The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review.
- The Board Committees are established by the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities through the Committees and is responsible for its action. Each Committee of the Board is guided by its terms of reference and also makes specific references to the Board on various matters when required. All the minutes of committee meetings are placed before the Board for its noting.
- The Company had following Committees of the Board (during the financial year 2020-21)with specific terms of reference assigned to each of them.

DIRECTOR'S REPORT

Sr. No.	Name of the Committee	Members of the Committee	Position	Chairman	No. of meetings held during FY 2020-21
A	Audit Committee	Mr. Neeraj M. Desai Mr. Nilesh S. Shevade Mr. Umesh M. Katre	Independent Director Independent Director Promoter- Non - Executive Director	Mr. Neeraj M. Desai	4
B	Nomination and Remuneration Committee	Mr. Neeraj M. Desai Mr. Nilesh Shevade Mr. Umesh Katre	Independent Director Independent Director Promoter/ Non-Executive Director	Mr. Neeraj M. Desai	1
C	Stakeholder's Relationship Committee	Mr. Neeraj M. Desai Mr. UmeshKatre Mrs. Seema Katre	Independent Director Promoter/ Non-Executive Director Executive Director	Mr. Neeraj M. Desai	1

BRIEF NOTE ON AUDIT COMMITTEE:

i) COMPOSITION

- The Audit Committee consists of One Promoter/ Non-Executive Director and two Independent Directors.
- The Administrative Manager / Senior Accountant/ Chief Financial Officer is invited to the meetings.

ii) SCOPE / FUNCTION / TERMS OF REFERENCE

The role of the Audit Committee emerges directly from the function of the Board of Directors to review corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The primary role of the Audit Committee is to review the Company's financial statements, internal financial controls, reporting and audit process and their adequacy, reliability and effectiveness, vigil mechanism, related party transactions and monitoring process for compliance with the applicable laws. The Audit Committee also reviews the reports, observations and presentations of the auditors and the management responses thereon.

The terms of reference of the Audit Committee are as follows:-

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) To recommend the appointment, remuneration and terms of appointment of Auditors of the Company as may be applicable;

c) To examine / review the financial statement and the Auditors' Report thereon with the Management, before submission to the board of directors for approval, with particular reference to:

i. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act;

ii. Changes, if any, in accounting policies and practices and reasons for the same;

iii. major accounting entries involving estimates based on the exercise of judgment by management;

iv. significant adjustments made in the financial statements arising out of audit findings;

v. compliance with listing and other legal requirements relating to financial statements;

vi. disclosure of any related party transactions; and

d) Reviewing, with the Management, the quarterly financial statements before submission to the Board of Directors for approval;

e) To grant approval for or any subsequent modification of transactions of the Company with related parties;

f) To evaluate internal financial controls and risk management systems;

g) To monitor the end use of funds raised through public offers and related matters;

h) Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

i) Discussion with Internal Auditors of any significant findings and follow up there on;

j) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern**;**

BRIEF NOTE ON NOMINATION AND REMUNERATION COMMITTEE:

I) COMPOSITION

- The Nomination and Remuneration Committee consists of one Executive, One Promoter/ Non-Executive Director and one Independent Director.
- The Administrative Manager / Senior Accountant/ Chief Financial Officer is invited to the meetings.

ii) SCOPE / FUNCTION / TERMS OF REFERENCE

- The Nomination and Remuneration Committee of the Board, inter alia, recommends and /or approves the compensation terms of the Executive and Non-executive Directors and Senior employees of the Company and performs such other functions as may be delegated to it by the Board of Directors from time to time.

iii) MEETING AND ATTENDANCE

- The Nomination and Remuneration Committee met once during the financial year 2020 - 2021 i.e. on November10, 2020 The detail of the attendance of the members at the said meeting is as below:

Name of the Members	No. of -meetings held	No. of meetings attended
Mr. Neeraj M. Desai	1	1
Mr. Umesh M. Katre	1	1
Mrs. Seema U. Katre	1	1

iv) REMUNERATION

- The policy of Committee is to ensure that the remuneration practices of the Company are competitive thereby enabling the Company to attract and retain executives of high caliber. In framing its remuneration policy, the Remuneration Committee takes into consideration the remuneration practices of garment manufacturing Company of a size and standing similar to the Company.
- **REMUNERATION TO EXECUTIVE DIRECTORS**

  Mrs. Seema U. Katre, Whole Time Director of the Company was paid remuneration during the financial year 2020-2021 in accordance with the terms and conditions of the Agreement entered into by the Company with her. The details of the remuneration paid during the financial year 2020-2021 is given below:-

Particulars	Mrs. Seema U. Katre (Whole Time Director) Amount (Rs)
Salary	5,25,000
Contribution to provident fund	0
Others	1,63,500
Perquisites	0
Total	6,88,500

Additionally, the Company had not paid any sitting fees for attending meetings of the Board or any committees thereof.

- **REMUNERATION TO NON-EXECUTIVE DIRECTORS.**

The non-executive directors are paid sitting fees of Rs.5000/- for each meeting of the Board attended by them.

No sitting fees are paid for Committee meetings (except Audit Committee) attended by the Directors.

Remuneration paid for the year ended 31st March, 2021.

Directors	Sitting fees for Board / Audit Committee Meetings
Mr. Neeraj Desai	Rs. 27,500/-

Mr. Nilesh Shevade has waved the sitting fees

BRIEF NOTE ON STAKEHOLDER'S RELATIONSHIP COMMITTEE:

i) COMPOSITION

- The Stakeholder's Relationship Committee consists of One Promoter/ Non-Executive Director and two Independent Directors.
- The Administrative Manager / Senior Accountant/ Chief Financial Officer is invited to the meetings.

ii) SCOPE / FUNCTION / TERMS OF REFERENCE

Mr. Neeraj N. Desai (Independent Director) heads the Stakeholders' Relationship Committee as the Chairman of the said Committee.

The terms of reference of the Stakeholders' Relationship Committee are as follows:-

a) Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares and non receipt of annual report.

b) Investigating complaints relating to approval of transfer or transmission of shares.

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal; and

d) Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, the Listing Regulations or by any other regulatory authority.

11. <u>KEY MANAGERIAL PERSONNEL</u>

The following are the Key Managerial Personnel of the Company:

Sr. No.	Name of the Person	Designation
i.	Mrs. Seema U. Katre	Whole time Director
ii.	Mr. Sunil D. Joshi	Company Secretary from 13th August 2020
iii.	Mr. Sandeep Khedekar	Chief Financial Officer

12. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of the specific duties obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

13. BOARD MEETINGS AND BOARD PROCEDURE

The Board meets at regular intervals. At least one meeting is held in every quarter inter alia to review the quarterly results. Additional meetings of the Board are held when deemed necessary. In case of business exigencies or urgencies, the resolutions are passed by way of circulation to the extent permissible under the applicable laws.

In the financial year 2020- 2021, the Board met seven times. The meetings were held on April 24, 2020, July 28, 2020, August 13, 2020, October 27, 2020, November 10, 2020, February 15, 2021, and March 23, 2021. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation. The details of the attendance of the Directors at the Board meetings and the last Annual General Meeting is given below:

Sr. No.	Name of the Director	No. of Board meetings held	No. of Board meetings attended	Attendance at the previous Annual General Meeting
1	Mr. Umesh M. Katre	7	7	Yes
2	Mrs. Seema Katre	7	7	Yes
3	Mr. Neeraj Desai	7	5	Yes
4	Mr. Nilesh Shevade	7	5	Yes

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

15. WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company (www.spiceislandsapparelslimited.in).

16. REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The detail of this policy is available on the website of the Company.

17. RELATED PARTY TRANSACTION

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company.

Attention of the members is drawn to the disclosures of transactions with the related parties is set out in Note 54to Accounts forming part of the financial statement.

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

19. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading insecurities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company 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. The Board is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

20. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)© of the Companies Act, 2013:

(a) that in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(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 as at March 31, 2021 and of the loss of the Company for the year ended on that date;

(c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) that 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;

(f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. STATUTORY AUDIT

The Board recommends appointment of M/s. Tikekar Associates LLP

(Chartered Accountants) for a period of Five Years i.e. from conclusion of 33rd Annual General Meeting tillthe conclusion of 38th Annual General Meeting at remuneration to be mutually decided.

22. COST AUDIT

The Companies (Cost Records and Audit) Rules 2014, as notified with effect from June 30, 2014 lays down in detail the rules for applicability of maintenance of cost records and the audit thereof. None of the criteria are applicable to the Company and accordingly no audit of the cost records is carried out for the year ended March 31, 2021.

23. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. Alok Khairwar & Associates a firm of Company Secretaries in Practice (C.P.No.12880) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure - A and forms an integral part of the Report.

Observation of the Secretarial auditors are replied as under:

- The company secretary was to be selected keeping in mind the budget of the company, but none the less the appointment was done within six months of resignation by previous company secretary.
- There were some delay in filing of non – price sensitive information (Administrative in nature) This was mainly due to complete lockdown of office and remote working was difficult as the company did not have resources to pay the salary in absentia. The delay in filing has since been rectified.
- The website is being updated but funds crunch is the issue.
- Kotak bank did not provide 'NIL' balance certificate in time, resulting into delay in submission of Charge 4 (Satisfaction).
- The Current Independent Directors are not so keen to continue but somehow management has persuaded them to stay on to ensure statutory compliance. About 75% of the networth of the company is eroded and business has come to standstill. Under the circumstances it is difficult for the company to get a new set of Independent director. During current financial year, the registration of Independent director will be completed.

24. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place proper and adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

25. RISK MANAGEMENT

During the year under review, steps were taken to identify and evaluate elements of business risk. Consequently a revised robust Business risk management framework is in place. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risk.

Some of the risks that the Company is exposed to are;

Financial Risks

The Company's policy is to actively manage its foreign exchange risk within framework laid down by the Company's forex policy approved by the Board.

Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigation strategy to minimize interest cost.

Commodity Price Risk

The Company is exposed to risks of price fluctuation of raw materials. The Company pro actively manages these risks through inventory management and vendor loyalty practices. The Company's reputation for quality, product differentiation and service mitigates the impact of price risk on finished goods.

Regulatory Risk

The Company is exposed to risks attached to various statutes and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external audits. The Company continuously reviews the policies to avoid any statutory and regulatory risk.

Human Resources Risks

Retaining the existing talent pool and attracting new talent are major risks. The Company has initiated various measures including training and development activities to preserve the valuable employees and is liberal in pay package so as to give them the safety and dedication to the Company.

26. INFORMATION PURSUANT TO PROVISION OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Disclosure required under Section197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, is not applicable as

The company does not have any employee (s) employed throughout the year and were in receipt of remuneration exceeding Rs. 1.02crore per annum or more or employees employed for the part of the financial year 2020 - 2021 were in receipt of remuneration of Rs. 8.5 lac per month or more.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company does not have any obligation to fulfill under corporate social responsibility as none of the criteria are applicable to the Company.

28. STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure – B to this report.

The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

29. GENERAL

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

30. CAUTIONARY STATEMENT

Statements in the Director's Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, tax regime, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

31. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

By order of the Board of Directors,
For SPICE ISLANDS APPARELS LIMITED

Sd/-
UMESH MOHAN KATRE
(Chairman)
(DIN: 00196300)

PLACE : MUMBAI
DATE : 15th June 2021

DIRECTOR'S REPORT

'Annexure A'

Form No. MR-3
Secretarial Audit Report
for the financial year ended March 31, 2021

[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 Island Apparels Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Spice Island Apparels 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, generally 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, 2021 according to the applicable 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;

  (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) Regulations, 2014; (Not applicable to the Company during the audit period)

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (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; (Not applicable to the Company during the audit period) and

(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 secretary had resigned on February 14, 2020 and the vacancy was filled onAugust 13, 2020, by appointing new company secretary. Thus there was a gap of about 6 months during which the company did not have company secretary. In response to Notice from stock Exchange, the company had clarified that the company did have a company secretary during the period February 15, 2020,to August 13, 2020and accordingly the action taken for freezing the promoters Demat account was withdrawn.

(b) The Company has received a notice via email from Stock Exchange for delay in compliance of Regulation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and accordingly Company in response to the above notice has paid the fine imposed and the same mentioned below in tabular form –

Sr. no	Regulation	Quarter/Month	Due Date	Fine Imposed	Fine Paid
1	Reg-34	March - 2020	November 6, 2020	Rs. 2000	Paid
2	Reg-13(3)	December - 2020	January 21, 2021	Rs. 25000	Paid

(c) The company is yet to update website as required under regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

(d) The company is awaiting approval for satisfaction of charge (CHG-4) from the Registrar of the companies in respect of full payment made for the charge created on motor vehicle and registered under Id no. 10599306.

(e) The registration of the Independent Director of on the Independent Director data bank as required under the Companies Act, 2013 is yet to be done

DIRECTOR'S REPORT

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.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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 the Company has not made:

(a) Public/Right/Preferential issue of shares / Debentures/ Sweat Equity, etc.

(b) Redemption / Buy-Back of Securities.

(c) Merger / Amalgamation / Reconstruction, etc.

(d) Foreign Technical Collaborations.

For Alok Khairwar & Associates
Practicing Company Secretaries

Sd/-
Alok Khairwar
Proprietor
FCS 10031
CP 12880
UDIN: F010031C000468940

Place : Mumbai
Date : June 15, 2021

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.

'Annexure A'

To,
The Members,
Spice Island Apparels 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
Company Secretaries

Sd/-
Alok Khairwar
Proprietor
FCS 10031
CP 12880
UDIN: UDIN: F010031C000468940

Place : Mumbai
Date : June 15, 2021

DIRECTOR'S REPORT

ANNEXURE B

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules,2014 for the year ended March 31, 2021 is given here below and forms part of the Director's Report.

A) Conservation of energy:

Power and fuel consumption in respect of manufacturing units

a)	Purchased Units	8933
	Total Amount	143087.80
	Rate per unit (Rs)	16.01
b)	Own Generation	Nil

(i) the steps taken or impact on conservation of energy; *

(ii) the steps taken by the company for utilizing alternate sources of energy; *

(iii) the capital investment on energy conservation equipment's; *

*There is not much of scope for the above as the Company is getting most of its production done on job work basis.

(B) Technology absorption:

(i) Efforts made: Continuous efforts are being made in improving the quality of Shirts, Jackets, Skirts and Blouses produced by the Company on existing production methods, improving labour productivity.

(ii) Benefits: Company could make its impact in the items manufactured by adopting changing technology.

(iii) Imported Technology: The Company is currently using Indian Technology.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(a) Efforts: The Company has been constantly endeavoring to get an increased share of the world textile market and has met with remarkable success in this area.

(b)	EARNING AND OUTGO	Rs (in Lacs)
(i)	Foreign Exchange Earning Export Sales(FOB)	495.34
(ii)	Foreign Exchange outgo (includes raw material, spare parts, capital goods and other expenditure in foreign currency including dividends)	
	(a) Raw Material	NIL
	(b) Capital Goods (Spares)	NIL
	(c) Components, Spares and Accessories	29.53
	(d) Dyes & Chemicals	NIL
	(e) Travelling & Other Expenses	0.56
	(f) Commission	14.23

By order of the Board of Directors,
For **SPICE ISLANDS APPARELS LIMITED**
Sd/-
UMESH MOHAN KATRE
(Chairman)
(DIN: 00196300)

PLACE : MUMBAI
DATE : 15th June 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Spice Islands Apparels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Spice Islands Apparels Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss (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 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 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 further increased as at March 31, 2021 because of its continuing net losses from operations. 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. Net losses of the Company manifested a slight decrease from Rs.(2,93,75,140) in 2020 to Rs. (2,18,32,783) in 2021. Management believes that the Company will be able to recover from losses in the next succeeding years. 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. In connection with our audit, we have performed 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.

Emphasis of Matter

We draw attention to Note 62 to the financial statements which explains COVID-19 and that it has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to conduct a physical verification of inventories for the year-end 31st March, 2021 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns.

Inventories, being material to the financial statements/results of the Company, the Standard on Auditing (SA) 501, Audit Evidence – Specific Considerations for Selected items, cast a duty on us to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories. Accordingly, we have performed alternative audit procedures in this regard to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
Going Concern The Company has booked an operating loss during the year. Further, the cumulative retained earnings have become negative due to continuous losses. The Company was earlier operating from three units, Bengaluru being one of them. During the preceding year, it ceased its operations from the said unit. The Company at the end of the financial year has temporarily suspended the trading activities in order to curb the increasing losses. Considering the judgment and estimates involved as a part of determination of going concern concept, it is considered to be a key audit matter.	We have performed the following key procedures: 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.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), The Statement of changes in Equity 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 statements comply with the Indian Accounting Standards (Ind AS) 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 the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g. With respect to the matter to be included in the Auditors' Report under section 197(16) :

      In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

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

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Tikekar and Associates LLP**
Chartered Accountants
Firm registration number: W100141

Ashish Thakurdesai
Partner
Membership No: 124059

Place : Mumbai
Date : 15th June, 2021
UDIN : 21124059AAAACV9906

Annexure A to the Independent Auditor's Report of even date to the members of Spice Islands Apparels Limited, on the financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that,

(i) a. The Company has maintained proper records showing full, including quantitative details and situation of property, plant and equipment.

b. The Company has a regular programme of physical verification of its property, plant and equipment by which they are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

c. The title deeds of immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.

(ii) As explained to us, the inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account. (Refer our observations under paragraph Emphasis of Matter of our main report)

(iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3(v) of CARO 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 CARO is not applicable to the company.

(vii) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it except the delays in depositing TDS deducted from the various payments made by the company.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-Tax, Service-Tax, Goods & Service Tax and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

b. According to the information and explanations given to us and on the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax, Excise Duty and Cess which have not been deposited on account of an any dispute.

INDEPENDENT AUDITORS' REPORT

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its any banks and financial institutions. The Company did not have outstanding loans or borrowings from government during the year.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. Company has borrowed Covid-19 Loan of Rs.31,00,000/- under BGECLS Scheme from Bank of Baroda as additional working capital term loan and were applied for the purpose for which it was borrowed.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) All transactions with the related parties are in compliance with Section 188 and 177 (where applicable) of Companies Act, 2013 and the details thereof have been disclosed in the financial statements as required by the Accounting standards and Companies Act, 2013.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for Tikekar & Associates LLP
Chartered Accountants
Firm registration number: W100141

Sd/-
Ashish Thakurdesai
Partner
Membership No: 124059

Place : Mumbai
Date : 15th June, 2021
UDIN : 21124059AAAACV9906

INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditors' Report

on the financial statements of Spice Islands Apparels Limited for the period ended 31 March 2021

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 2021 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 2021, 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.

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.

INDEPENDENT AUDITORS' REPORT

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 **Tikekar & Associates LLP**
Chartered Accountants
Firm registration number: W100141

Sd/-
Ashish Thakurdesai
Partner
Membership No: 124059

Place : Mumbai
Date : 15th June 2021
UDIN : 21124059AAAACV9906

Balance Sheet as at 31st March, 2021

Particular	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	12,473,717	19,639,396
Right of Use Asset	5	-	1,137,337
Intangible Assets	6	1,142	1,142
Financial assets			
- Investments	7	-	1,697,046
- Loans	8	150,000	787,023
Non-Current Tax Assets	9	2,495,159	2,495,159
Deferred tax assets (Net)	45	6,742,177	6,742,177
Other non-current assets	10	-	-
		21,862,194	**32,499,278**
Current assets			
Inventories	11	1,067,727	7,312,333
Financial assets			
- Investments	12	8,495	206,000
- Trade receivable	13	6,788,216	11,246,067
- Loans	14	5,392,859	5,711,936
- Cash and cash equivalents	15	3,760,555	8,526,232
- Other bank balances	16	567,984	649,666
- Other financial assets	17	324,997	324,997
Other current assets	18	9,691,990	13,959,882
Non- Current Assets Held for Sale	58	891,079	3,373,432
		28,493,901	**51,310,545**
		50,356,095	**83,809,824**
EQUITY & LIABILITIES			
Equity			
Equity share capital	19	43,000,000	43,000,000
Other equity	20	(35,290,212)	(13,457,430)
		7,709,788	**29,542,570**
LIABILITIES			
Non-current liabilites			
Financial liabilities			
- Borrowings	21	3,100,000	204,223
- Other financial liabilities	23	-	1,610,503
Provisions	24	531,095	575,471
		3,631,095	**2,390,197**
Current liabilities			
Financial liabilities			
- Borrowings	25	16,775,803	17,835,431
- Trade and other payables			
Due to Micro, Small and Medium Enterprises		-	-
Due to Other than Micro, small and Medium Enterprises	26	4,333,901	10,407,331
- Other financial liabilities	27	13,967,583	19,522,093
Other current liabilities	28	3,751,525	3,933,302
Provisions	29	186,400	178,900
Current tax liabilities (Net)			-
		39,015,212	**51,877,057**
		50,356,095	**83,809,824**

Significant accounting policies
The notes referred to above form an integral part of these financial statements 3

As per our report of even date attached
for **Tikekar and Associates LLP**
Chartered Accounatns
FRN : W100141

Sd/-
Ashish Thakurdesai
Partner
Mem No. 124059

Place : Mumbai
Date : 15th June, 2021

for and on behalf of the board of directors of
Spice Islands Apparels Limited

Sd/-
Umesh Katre
Chairman & MD
DIN : 00196300

Sd/-
Neeraj Desai
Director
DIN : 03184375

Sd/-
Sandeep Khedekar
Chief Financial officer

Place: Mumbai
Date: 15th June, 2021

Sd/-
Sunil Joshi
Company Secretary

Place: Mumbai
Date: 15th June, 2021

Statement of Profit and Loss for the year ended 31st March, 2021

Particular	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
Income			
Revenue from operations	30	66,036,011	156,369,834
Other income	31	1,521,122	5,052,802
Total Income		**67,557,133**	**161,422,636**
Expenses			
Cost of materials consumed	32	39,043,389	86,483,142
Changes in inventories of finished goods, stock in trade and work in progress	33	642,865	417,155
Employee Benefit Expenses	34	6,874,621	25,834,454
Finance costs	35	774,483	1,806,205
Depreciation and amortisation	36	2,990,780	3,918,506
Other expenses	37	37,547,633	71,729,224
Total expenses		**87,873,770**	**190,188,687**
Profit before exceptional and tax		(20,316,637)	(28,766,050)
Exceptional item	38	(1,466,868)	(877,216)
Profit/(Loss) After exceptional item		**(21,783,505)**	**(29,643,266)**
Profit/(Loss) before tax		**(21,783,505)**	**(29,643,266)**
Tax expense:			
Current tax		-	-
Tax adjustments relating to previous year		-	-
Deferred tax charge/ (credit)	45	-	(288,623)
Profit (Loss) for the period from continuing operations		**(21,783,505)**	**(29,354,643)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	
(a) Re-measurements of the defined benefit plans		(49,278)	(53,128)
(b) Equity instruments through Other comprehensive income		-	32,631
(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		**(49,278)**	**(20,497)**
Total Comprehensive Income for the period		**(21,832,783)**	**(29,375,140)**
Earning per share (equity shares, par value Rs 10 each)			
- Basic		(5.07)	(6.83)
- Diluted		(5.07)	(6.83)

Significant accounting policies
The notes referred to above form an integral part of these financial statements 3
As per our report of even date attached
for **Tikekar and Associates LLP**
Chartered Accounatns
FRN : W100141

Sd/-
Ashish Thakurdesai
Partner
Mem No. 124059

Place : Mumbai
Date : 15th June, 2021

for and on behalf of the board of directors of
Spice Islands Apparels Limited

Sd/-
Umesh Katre
Chairman & MD
DIN : 00196300

Sd/-
Neeraj Desai
Director
DIN : 03184375

Sd/-
Sandeep Khedekar
Chief Financial officer

Place: Mumbai
Date: 15th June, 2021

Sd/-
Sunil Joshi
Company Secretary

Place: Mumbai
Date: 15th June, 2021

Cash Flow Statements for the Year ended 31st March, 2021

Particular	For the year ended 31st March 2021	For the year ended 31st March 2020
Cash flow from operating activities:		
(Loss) before tax	**(21,783,505)**	**(29,643,266)**
Adjustments:		
- Finance cost	774,483	1,806,205
- Interest income	-	(749,729)
- Dividend Income	-	(71,925)
- Liabilities no longer required written back	(71,760)	(274,639)
- Depreciation and amortisation	2,990,780	3,918,506
- (Gain)/Loss on sale of Fixed Asset	1,097,725	(85,475)
- Fair Value Adjustment to Investments	(3,345)	(76,168)
- (Gain)/Loss on sale of Investments	1,466,868	942,477
- Actuarial gain/ (loss) reclassed to OCI	(49,278)	(53,128)
Operating cash flow before working capital changes	**(15,578,031)**	**(24,287,142)**
Changes in		
- Decrease/(Increase) in Inventories	6,244,606	3,230,040
- Decrease/(Increase) in Trade receivables	4,457,851	11,268,493
- Decrease/(Increase) in Financial Assets	956,100	2,460,880
- Decrease/(Increase) in Other Non-financial Assets	4,267,891	(2,412,346)
- Decrease/(Increase) in Other Assets	-	(65,937)
- Increase/ (Decrease) in Trade payables	(6,073,430)	(2,932,864)
- Increase/ (Decrease) in Financial liabilities	(4,548,923)	9,678,725
- Increase/ (Decrease) in Other liabilities	1,228,998	1,101,230
- Increase/ (Decrease) in Provisions	7,500	(396,089)
Cash (used in)/ generated from operations	**(9,037,438)**	**(2,355,009)**
Income taxes (paid)/ refund	-	-
Net cash generated (used in) operating activities	**(9,037,438)**	**(2,355,009)**
Cash flow from investing activities:		
Purchase of Property, Plant and Equipment	(758,787)	(981,730)
Proceeds from sale of Property, Plant and Equipment	4,089,472	348,246
Advance received for sale of Property, Plant and Equipment	1,225,019	628,667
Sale Proceeds from Investment	433,280	15,471,528
Repayment/(Increase) in Deposits with Corporates and others	-	5,000,000
Interest Received	-	616,667
Dividend Income	-	71,925
Net cash (used in) investing activities	**4,988,984**	**21,155,304**
Cash flow from financing activities:		
Proceeds from / (repayment) of borrowings	68,959	(15,292,999)
Interest paid on Borrowings	(786,182)	(1,840,345)
Dividend paid on Equity Shares (previous year's)	(81,682)	(69,618)
Tax on Equity Dividend paid	-	-
Net cash generated from financing activities	**(798,905)**	**(17,202,963)**
Net (decrease)/ increase in cash and cash equivalents	(4,847,359)	1,597,332
Cash and cash equivalents at the beginning of the year	9,175,898	7,578,566
Cash and cash equivalents at the end of the year	**4,328,539**	**9,175,898**
Cash and cash equivalents comprise of:		
Cash on hand	502,751	400,432
Balances with banks		
- in current accounts	3,257,804	8,125,800
- in unpaid dividend accounts	567,984	649,666
	4,328,539	9,175,898

2 Significant accounting policies
3 The notes referred to above form an integral part of these financial statements

As per our report of even date attached
for **Tikekar and Associates LLP**
Chartered Accounatns
FRN : W100141

Sd/-
Ashish Thakurdesai
Partner
Mem No. 124059

Place : Mumbai
Date : 15th June, 2021

for and on behalf of the board of directors of
Spice Islands Apparels Limited

Sd/-
Umesh Katre
Chairman & MD
DIN : 00196300

Sd/-
Neeraj Desai
Director
DIN : 03184375

Sd/-
Sandeep Khedekar
Chief Financial officer

Place: Mumbai
Date: 15th June, 2021

Sd/-
Sunil Joshi
Company Secretary

Place: Mumbai
Date: 15th June, 2021

Significant Accounting Policies for the year ended 31st March, 2021

1. Company Overview

Spice Island Apparels Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The company is engaged in the manufacturing and selling of knitted and woven garments. The company caters to both domestic and international markets. The Company also deploys its surplus funds in financial activities.

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 15th June,2021

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 2021 or subsequent year/ years is included in the following notes:

- Note 3.02: Useful lives of various of 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
- Note 62: Estimation of uncertainties relating to the global health pandemic from COVID-19

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:

Significant Accounting Policies for the year ended 31st March, 2021

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- 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, 2021

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, 2021

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, 2021

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 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.

Significant Accounting Policies for the year ended 31st March, 2021

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:

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.

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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.

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 forwardlooking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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.

Significant Accounting Policies for the year ended 31st March, 2021

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.

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.

3.07 Financial Instruments (continued)

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.

Significant Accounting Policies for the year ended 31st March, 2021

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;
- 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:

3.07 Financial Instruments (continued)

- 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.

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

Significant Accounting Policies for the year ended 31st March, 2021

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.

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 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

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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 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

In the previous financial year Right of use asset has created by taking the assumption that lease is going to renew in the further years, but due to uncertainities arised in current year said lease is cancelled during the year. So only six months depreciation is charged on Right of use asset and remaining amount is settled with Balanced lease liability.

The effect of cancellation of lease is given below:

Right-of-use asset Decognised	883,826
Lease liabilities Derecognised	1,440,466
Depreciation charge on Right-of-use asset till cancellation (30/09/2020)	253,511
Amount recognised in profit and loss account due to cancellation	556,640
Interest expense on Lease Liabilities till cancellation (30/09/2020)	59,463

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.

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 not 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.

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. On Account on uncertainty of future probable profits, no deferred tax asset is recognized during this financial year.

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, itis 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.

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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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A. Equity Share Capital

Particulars	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid	
Balance as at 1 April 2019	**43,000,000**
Add: Issue of shares	-
Balance as at 31 March 2020	43,000,000
Balance as at 1 April 2020	**43,000,000**
Add: Issue of shares	-
Balance as at 31 March 2021	**43,000,000**

B. Other Equity

Particulars	Reserves & Surplus			Other Comprehensive Income		Total
	Securities premium reserve	General Reserve	Retained earnings	Equity Instruments throught OCI	Remeas-urements of the net defined benefit plans	
Balance as at 31 March 2019	**34,914,240**	**17,376,795**	**(30,522,876)**	**(5,018,011)**	**(832,437)**	**15,917,711**
Profit for the year	-	-	(29,354,643)	-	-	(29,354,643)
Other Comprehensive income	-	-	-	32,631	(53,128)	(20,497)
Balance at 31 March, 2020	**34,914,240**	**17,376,795**	**(59,877,519)**	**(4,985,380)**	**(885,565)**	**(13,457,429)**
Profit for the year	-		(21,783,505)	-	-	(21,783,505)
Other Comprehensive income	-		-	-	(49,278)	(49,278)
Balance at 31 March, 2021	**34,914,240**	**17,376,795**	**(81,661,024)**	**(4,985,380)**	**(934,843)**	**(35,290,213)**

for and on behalf of the board of directors of
Spice Islands Apparels Limited

Sd/-
Umesh Katre
Chairman & MD
DIN : 00196300

Sd/-
Neeraj Desai
Director
DIN : 03184375

Sd/-
Sandeep Khedekar
CFO

Sd/
Sunil Joshi
Company Secretary

Place : Mumbai
Date : 15th June, 2021

Place: Mumbai
Date : 15th June, 2021

Place : Mumbai
Date : 15th June, 2021

Note 4 : Property, Plant and Equipment

Particulars	Building	Furniture and fxtures	Electrical equipments	Plant and machinery	Computer	Offce equipment	Motor vehicles	Total
31 March 2020								
Gross Carrying amount								
Opening Gross Carrying amount	2,993,830	2,178,062	715,509	9,329,122	452,835	2,268,785	14,573,271	32,511,415
Additions	-	47,195	-	489,000	-	445,535	-	981,730
Disposals	-	(215,685)	-	(277,000)	-	-	(642,902)	(1,135,587)
Assets held for sale	-	-	-	-	-	-	-	-
Closing Gross Carrying amount	**2,993,830**	**2,009,572**	**715,509**	**9,541,122**	**452,835**	**2,714,320**	**13,930,369**	**32,357,558**
Accumulated Depreciation								
Opening Accumulated Depreciation	355,196	1,094,632	335,461	1,588,512	308,303	1,189,264	5,313,049	10,184,416
Depreciation Charge for the year	116,245	206,290	69,915	744,345	64,865	383,117	1,821,786	3,406,562
Disposals	-	(185,253)	-	(120,741)	-	-	(566,822)	(872,816)
Assets held for sale	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	**471,441**	**1,115,669**	**405,376**	**2,212,116**	**373,168**	**1,572,381**	**6,568,013**	**12,718,162**
Net Carrying Amount as at 31 March 2020	**2,522,389**	**893,902**	**310,133**	**7,329,007**	**79,668**	**1,141,940**	**7,362,357**	**19,639,396**
31 March 2021								
Gross Carrying amount								
Opening Gross Carrying amount	2,993,830	2,009,572	715,509	9,541,122	452,835	2,714,320	13,930,369	32,357,558
Additions	-	-	-	592,205	-	166,582	-	758,787
Disposals	-	(843,247)	(315,077)	(2,995,325)	(363,480)	(177,673)	(8,929,484)	(13,624,286)
Closing Gross Carrying amount	**2,993,830**	**1,166,325**	**400,432**	**7,138,002**	**89,355**	**2,703,229**	**5,000,885**	**19,492,059**
Accumulated Depreciation								
Opening Accumulated Depreciation	471,441	1,115,669	405,376	2,212,116	373,168	1,572,381	6,568,013	12,718,162
Depreciation Charge for the year	104,878	115,706	27,098	590,470	8,941	340,353	1,549,823	2,737,269
Disposals	-	(803,365)	(309,259)	(868,443)	(356,439)	(168,789)	(5,930,794)	(8,437,089)
Closing Accumulated Depreciation	**576,319**	**428,010**	**123,215**	**1,934,143**	**25,670**	**1,743,945**	**2,187,042**	**7,018,342**
Net Carrying Amount as at 31 March 2021	**2,417,511**	**738,314**	**277,217**	**5,203,860**	**63,686**	**959,285**	**2,813,844**	**12,473,717**

Significant Accounting Policies for the year ended 31st March, 2021

Note 5: Right-of-use Assets Particulars	Right-of-use asset	Total
Year ended 31 March 2020		
Gross Carrying amount		
Opening Gross Carrying amount		
Additions	1,644,359	1,644,359
Disposals	-	-
Closing Gross Carrying amount	**1,644,359**	**1,644,359**
Accumulated Depreciation		
Opening Accumulated Depreciation	-	-
Depreciation Charge for the year	507,022	507,022
Disposals	-	-
Closing Accumulated Depreciation	**507,022**	**507,022**
Net Carrying Amount as at 31 March 2020	1,137,337	1,137,337
Year ended 31 March 2021		
Gross Carrying amount		
Opening Gross Carrying amount	1,644,359	1,644,359
Additions	-	-
Disposals	(883,826)	(883,826)
Closing Gross Carrying amount	**760,533**	**760,533**
Accumulated Amortisation		
Opening Accumulated Amortisation	507,022	507,022
Amortisation Charge for the year	253,511	253,511
Disposals	-	-
Closing Accumulated Depreciation	**760,533**	**760,533**
Net Carrying Amount as at 31 March 2021	**-**	**-**

Note 6: Intangible Assets	Computer software	Total
Year ended 31 March 2020		
Gross Carrying amount		
Opening Gross Carrying amount	98,078	98,078
Additions	-	-
Disposals	-	-
Closing Gross Carrying amount	**98,078**	**98,078**
Accumulated Amortisation		
Opening Accumulated Amortisation	92,014	92,014
Amortisation Charge for the year	4,922	4,922
Disposals	-	-
Closing Accumulated Depreciation	**96,936**	**96,936**
Net Carrying Amount as at 31 March 2020	**1,142**	**1,142**
Year ended 31 March 2021		
Gross Carrying amount		
Opening Gross Carrying amount	98,078	98,078
Additions	-	-
Disposals	-	-
Closing Gross Carrying amount	**98,078**	**98,078**
Accumulated Amortisation		
Opening Accumulated Amortisation	96,936	96,936
Amortisation Charge for the year	-	-
Disposals	-	-
Closing Accumulated Depreciation	**96,936**	**96,936**
Net Carrying Amount as at 31 March 2021	**1,142**	**1,142**

Significant Accounting Policies for the year ended 31st March, 2021

Non-current financial assets

7 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in Mutual funds (quoted)		
Mutual Funds through FVOCI		
31 Mar 2021: Nil (31 Mar 2020: Nil)	-	-
Investment in Others (Unquoted)		
at FVTPL		
31st March 2021: Nil (31 Mar 2020: 16,97,046)		
Units of Reliance Alternative Investment Fund Pvt. Equity Scheme	-	1,697,046
	-	1,697,046
Aggregate amount of quoted investments and market value	-	-
Aggregate amount of unquoted investments	-	1,697,046
Aggregate amount of impairment in the value of investments	-	-

Non-current Financial Assets

8 Loans

Particulars	31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	150,000	787,023
	150,000	**787,023**

9 Non-Current tax Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income-tax (net of provision for taxation)	2,495,159	2,495,159
	2,495,159	**2,495,159**

Non-financial assets

10 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance recoverable in cash or kind	-	-
Prepaid Rent	-	-

Current assets

Significant Accounting Policies for the year ended 31st March, 2021

11 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Inventory of Accessories	62,378	1,127,139
Inventory Finished Goods	280,385	923,250
Inventory of Raw Materials	724,964	5,261,943
	1,067,727	**7,312,333**

Current financial assets

12 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in Equity Instruments (quoted)	8,495	206,000
Equity Shares at FVTPL		
Investment in mutual funds (quoted)	-	-
Mutual Funds at FVTPL		
	8,495	**206,000**
Aggregate amount of quoted investments and market value	8,495	206,000
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

13 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	6,788,216	11,246,067
(c) Trade Receivables which have significant increase in Credit Risk;	-	-
(d) Trade Receivables - credit impaired	-	-
	6,788,216	**11,246,067**

Note : The credit period on sales of goods ranges from 0 to 60 days with or without security. In determining the allowances for credit losses of trade receivables, the Company realises its Trade Receivables within the credit period and hence the Company beleives that the expected credt losses is insignificant.

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.

Significant Accounting Policies for the year ended 31st March, 2021

14 Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security Deposits	2,531,218	2,934,358
Loans to employees	384,319	300,257
Deposit with Corporate and others	2,477,322	2,477,322
	5,392,859	**5,711,936**

15 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	502,751	400,432
Balances with banks		
- in current accounts	3,257,804	8,125,800
	3,760,555	8,526,232
Less: Book overdraft	-	
	3,760,555	**8,526,232**

16 Bank balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balance earmarked for Unclaimed Dividends	567,984	649,666
	567,984	649,666

17 Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Interest receivable	324,997	324,997
Other Receivables	-	-
	324,997	**324,997**

Non-financial assets

18 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance for supply of goods and rendering of services	554,720	100,000
Advance recoverable in Cash or Kind	2,270,327	1,954,161
Balances with government authorities	6,813,105	11,656,182
Prepayments	53,838	249,539
	9,691,990	**13,959,882**

Significant Accounting Policies for the year ended 31st March, 2021

17 Equity

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised capital		
50,00,000 (31 March, 2020 : 50,00,000)		
Equity shares of Rs. 10 each	50,000,000	50,000,000
Issued, subscribed and paid-up		
43,00,000 (31 March, 2020: 43,00,000)		
Equity shares of Rs. 10 each	43,000,000	43,000,000
	43,000,000	**43,000,000**

a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021	As at 31 March 2020
(Number of shares)		
At the beginning of the period	4,300,000	4,300,000
Issued during the period	-	-
Outstanding at the end of the period	**4,300,000**	**4,300,000**

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.

c) Equity shareholders holding more than 5 percent shares in the Company:

Name of the shareholder

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	%		No. of shares
Umesh Katre	9,35,087	21.75%	9,35,087	21.75%
Seema Katre	8,86,278	20.60%	8,86,278	20.60%
Umesh M. Katre (HUF)	3,15,100	7.33%	3,15,100	7.33%
Nalini M. Katre	2,57,200	5.98%	2,57,200	5.98%
Mohan G. Katre (HUF)	2,55,125	5.93%	2,55,125	5.93%
	26,48,790		**26,48,790**	

Significant Accounting Policies for the year ended 31st March, 2021

Note:

As per the records of the company, including it's 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 2021	As at 31 March 2020
(i) Retained Earnings		
Balance as at beginning of the reporting period	(59,877,519)	(30,522,876)
Add: Net profit/(loss) for the period	(21,783,505)	(29,354,643)
	(81,661,024)	**(59,877,519)**
(ii) Other Reserves		
Securities premium	34,914,240	34,914,240
General Reserves	17,376,795	17,376,795
	52,291,035	**52,291,035**
(iii) Other comprehensive income		
Others (acturial gain/ (loss))	(5,920,223)	(5,870,945)
	(5,920,223)	(5,870,945)
	(35,290,212)	**(13,457,430)**

Refer Statement of changes in equity for detailed movement in other equity balances.
Financial liabilities (Non-Current)

21 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Vehicle Loan	0	204,223
Other Loan	3,100,000	-
(Covid - 19 Loan under BGECLS Scheme)		
	3,100,000	**204,223**

There is no amount due to 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.

The vehicle loans are secured by hypothecation of vehicles taken on the loan

Other Loan - is granted by Bank of Baroda as Additional Working Capital Term Loan in addition to existing facilites under scheme of BGECLS.

Applicable Rate as per Scheme : BRLLR + 1% p.a. with monthly rests.

Security : Credit under scheme will rank pari passu with the existing credit facilities in terms of cash flows (including repayments) and securities charged to existing facilities. Existing primary / collatarel securities would be extended to cover the BGECLS facility.

There are no defaults in repayment of principal or interest to lenders as at the balance sheet date.

Significant Accounting Policies for the year ended 31st March, 2021

23 Other financial- Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Lease Liability (Ind AS 116)	-	1,610,503
	-	**1,610,503**

Other Non-current Liabilities

24 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
- Gratuity	531,095	575,471
	531,095	**575,471**

Financial liabilities (Current)

25 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured:		
Packing Credit	11,775,803	11,946,102
Unsecured:		
Loans repayable on demand		
- loan from a director (Refer Note no 54)	5,000,000	5,889,329
	16,775,803	**17,835,431**

Note:

Details of security, repayment and interest of term loans

a) Loan from Bank of Baroda outstanding as at 31 March 2021 : 1,17,75,803 (31 March 2020: 1,19,46,102) Sanction Limit : 31 March 2021 - Rs. 2,40,00,000 (31 March 2020 - Rs. 2,40,00,000)

Primary Security : Hypothecation of current assets in the form of raw materials, semifinished goods, finished goods, stores/spares, receivables and other current assets Secondary Security: Equitable mortgage on property situated at Gala No.43 - 47 Bhandup Ind. Estate, Pannalal SilkMill Compound, LBS Marg, Bhandup, Mumbai - 400 078

Guarantee provided by Umesh M Katre and Seema Umesh Katre

Interest rates : Preshipment credit - MCLR plus SP plus 1.25%Postshipment credit - 1 year MCLR plus SP plus 5.90%

b) The loan from the director is interest-free and repayable on demand.

26 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding dues of creditors to micro enterprises and small enterprises (refer no. 59)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,333,901	10,407,331
	4,333,901	**10,407,331**

Significant Accounting Policies for the year ended 31st March, 2021

27 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term debt		
- Vehicle Loans	204,226	1,198,114
Interest accrued but not due on borrowings	-	11,699
Other liabilities for expenses	9,172,413	14,718,732
Security Deposit	-	285,410
Provision for Expenses	4,590,943	3,308,138
	13,967,583	**19,522,093**

28 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advances received from customers	1,904,392	229,243
Advance received for sale of Non-Current Assets	50,000	1,307,334
Statutory dues	1,229,490	1,747,400
Unclaimed Dividends	567,643	649,325
	3,751,525	**3,933,302**

29 Provision

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
- Gratuity	186,400	178,900
	186,400	**178,900**

30 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of Products	64,610,658	150,460,064
Other Operating Revenue	1,425,353	5,909,770
	66,036,011	**156,369,834**
Sale of Products		
- Finished Goods	64,610,658	150,460,064
- Traded Goods	-	-
Sale of Finished Goods		
- Garments	64,610,658	150,460,064
Other Operating Revenue		
- Sale of Scrap	-	558,041
- Export Incentives	1,132,408	4,871,809
- Job Work Income	292,945	479,920
	66,036,011	**156,369,834**

Significant Accounting Policies for the year ended 31st March, 2021

31 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Liabilities no longer payable written back	71,760	274,639
Interest on Inter Corporate Deposit	-	749,729
Interest Income	556,640	328,193
Dividend Income	-	71,925
Net gain on foreign currency translation and transactions	673,252	3,421,273
Profit on sale of Investments	-	-
Profit on sale of Property, Plant & Equipment (net)	216,126	130,875
Fair value of investments through Profit and Loss	3,345	76,168
	1,521,122	**5,052,802**

32 Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw Materials :		
Opening stock	5,261,943	8,189,251
Add: Purchases	27,080,565	62,975,622
	32,342,508	71,164,873
Less : Closing Stock	724,964	5,261,943
Raw Material Consumed (A)	**31,617,544**	**65,902,930**
Accessories :		
Opening stock	1,694,747	1,580,325
Add: Purchases	5,793,475	20,127,027
	7,488,222	21,707,352
Less: Closing stock	62,378	1,127,139
Accessories Consumed (B)	**7,425,844**	**20,580,212**
A+B	**39,043,389**	**86,483,142**

33 Changes in inventories of finished goods, stock in trade and work in progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the end of the year		
Finished goods - Garments	280,385	923,250
Inventories at the beginning of the year		
Finished goods - Garments	923,250	1,340,405
	642,865	**417,155**

34 Employee benefits expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary and wages	6,517,416	20,135,721
Contribution to provident and other funds	117,761	970,986
Gratuity Expense	95,577	1,026,254
Staff welfare expenses	143,867	3,701,493
	6,874,621	**25,834,454**

Significant Accounting Policies for the year ended 31st March, 2021

35 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense	715,020	1,385,037
Interest expense on Lease Liabilities (Ind AS 116)	59,463	109,904
Other Borrowing Cost	-	311,264
	774,483	**1,806,205**

36 Depreciation and Amortisation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation Charges on Tangible assets	2,737,269	3,406,562
Depreciation Charges on Right-of-use asset	253,511	507,022
Amortisation Charges	-	4,922
	2,990,780	**3,918,506**

37 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	354,315	1,116,675
Repairs and maintenance:		
- Building	-	188,860
- Plant & Machinery	-	188,891
- Others	2,388,942	3,341,871
Jobwork charges	9,531,222	20,766,370
Embroidery charges	106,973	1,995,824
Testing Charges	260,222	668,626
Commission	1,443,114	3,905,702
Conveyance expense	1,802,482	2,506,867
Service charges	4,699,848	7,630,853
Rates and taxes	703,749	1,126,244
Liquidated Damages	-	-
Freight	2,356,126	1,563,626
Clearing and forwarding charges	1,018,672	3,972,522
Communication costs	986,810	1,714,182
Travelling charges	870,135	5,137,980
Printing and stationery	140,532	374,401
Legal and professional charges	1,907,323	2,075,085
Prototype Development	1,968,447	4,419,696
Insurance	805,075	1,294,503
Rent	1,355,838	3,492,706
Loss of Sale of Property, Plant and Equipment	1,313,851	45,399
Office Expenses	530,103	258,656
Fair value of investments through P&L	-	-
Impairment of Property, Plant and Equipment	-	-
Directors' sitting fees	27,500	32,500
No More Receivables	1,511,707	950,243
Security Charges	52,000	323,640
Payment To Auditors	300,000	312,700
Bank Charges	628,016	1,140,758
Miscellaneous Expenses	484,632	1,183,842
	37,547,633	**71,729,**224

Significant Accounting Policies for the year ended 31st March, 2021

38 Exceptional Item

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss on sale of Investment	(1,466,868)	(877,216)
	(1,466,868)	(877,216)

39 Contingent liabilities, commitments and Contingent Assets

Particulars	As At 31 March 2021	As At 31 March 2020
Contingent liabilities		
Income Tax matters pending before the authorities	-	-
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.		
Contingent Assets		
Receivable from Emer Hotels and Suits Pvt Ltd (Refer Note 49)	2,620,843	2,620,843

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 registeration under the said act.Accordingly, the Company has disclosed the entire amount as payable to vendors other than Micro, small and Medium enterprise.

41 Payment to Auditors

Particulars	As At 31 March 2021	As At 31 March 2020
As auditor		
- statutory audit	300,000	312,700
- for taxation matters	-	-
Reimbursement of expenses	-	-
	300,000	**312,700**

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)

Particulars	As At 31 March 2021	As At 31 March 2020
Loss for the period	(21,783,505)	(29,354,643)
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share	4,300,000	4,300,000
Earnings per share, basic and diluted*	(5.07)	(6.83)
*The Company has no potentially dilutive equity shares		

Significant Accounting Policies for the year ended 31st March, 2021

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, 2021.

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 2021	31 March 2020
Current income tax	-	-
Deferred tax recognised	-	(288,623)
Minimum Alternate Tax credit entitlement	-	-
Income tax (credit) / expense reported in the statement of profit or loss	**-**	**(288,623)**

B. Income tax recognised in other comprehensive income

Particulars	For the year ended	
	31 March 2021	31 March 2020
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	-	-
Income tax charged to OCI	-	-

C. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	For the year ended	
	31 March 2021	31 March 2020
Profit before income tax	(21,783,505)	(29,643,266)
Domestic tax rate *	26.00%	26.00%
Tax using the Company's domestic tax rate	(5,663,711)	(7,707,249)
Impact of non-deductible expenses for tax purposes	30,317	371,369
Impact of Depreciation (disallowance as per books and allowance as per IT act)	143,472	15,660
Impact of deductions allowable on payment basis	(91,854)	(34,489.52)
Current year depreciation losses for which deferred tax asset is recognised	-	1,003,151
Current year business losses for which no deferred tax asset is recognised	5,581,777	6,351,558
Impact of Deferred Tax (credited)/charged during the year	-	(288,623)
Income tax expense	**-**	**(288,623)**

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

Significant Accounting Policies for the year ended 31st March, 2021

D. Deferred Tax

Deferred tax relates to the following:

Particulars	As at 31 March 2021	As at 31 March 2020
Reversal of Deferred tax asset	-	-
Deferred tax Asset		
Property, Plant and Equipment	1,092,514	1,092,514
Provision for Bonus and other Employee Provision	667,045	667,045
Fair Valuation of Investments	112,313	112,313
On unexpired tax losses	4,870,305	4,870,305
Deferred tax assets/ (liability)	**6,742,177**	**6,742,177**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Gross Amount	Unrecognised tax asset/ (liability)	Gross Amount	Unrecognised tax asset/ (liability)
Unused Business tax losses	108,313,489	28,161,507	86,529,985	22,497,796
Unused Depreciation tax losses	-	-	-	-
Unused losses under Capital gains	-	-	6,824,496	682,450
	108,313,489	**28,161,507**	**93,354,481**	**23,180,246**

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

46 Expenditure in Foreign Currency and CIF Value of Imports

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Expenditure on Foreign Currency		
Travelling Expense	55,810	318,245
Commission	1,423,114	3,376,608
(b) Value of Imports on CIF Basis	2,952,852	7,513,977
	4,431,776	**11,208,830**

47 Earnings in Foreign Exchange

Particulars	As at 31 March 2021	As at 31 March 2020
Export of Goods on FOB basis	49,533,767	133,369,144
	49,533,767	**133,369,144**

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.

Significant Accounting Policies for the year ended 31st March, 2021

(a) Disclosure pertaining to Ind AS 116

Particulars	As at 31 March 2021
Depreciation charge on the Right-of-use asset	253,511
Interest Expense on Lease Liabilities	59,463
Expense relating to short term leases charged to statement of profit and loss	1,355,838

(b) Lease expenses incurred for year ended 31 March 2020

Lease Payments in Statement of Profit or Loss	As at 31 March 2020
On account of non-cancellable lease*	616,926
On account of cancellable lease	3,492,706
	4,109,632

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

Minimum Lease Payments	As at 31 March 2021	As at 31 March 2020
Due within one year	-	2,040,000
Due later than one year and not later than five years	-	4,080,000
Due later than five years	-	-
	-	**6,120,000**

*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

49 Note with regard to Amount receivable from Emer Hotels & Suits Pvt Ltd

During the financial year 2010-2011, the company sold all the shares of M/s. Bhupco Alloys Limited., its erstwhile subsidiary Company, to M/s. Emer Hotels & Suites Pvt Ltd., pursuant to approval for the same by the board of directors of the Company vide its resolution dated 4 Feb, 2011 for an amount Rs. 1,16,20,843, against which an amount of Rs. 70,00,000 was received from M/s. Emer Hotels & Suites Pvt Ltd., during the year 2011-2012. The management is of the opinion that an amount of Rs. 20,00,000 though not received till date shall be received. The remaining balance of Rs. 26,20,843 is to be received from them only on receipt of rental deposit from landlord in Bhupco Alloys Ltd. 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 2021.

50 Unclaimed Dividends on Equity Shares:

Particulars	As at 31 March 2021	As at 31 March 2020
2012-2013	-	81,682
2013-2014	191,703	191,703
2014-2015	220,767	220,767
2015-2016	155,173	155,173
	567,643	**649,325**

Significant Accounting Policies for the year ended 31st March, 2021

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 is manufacturing of textiles consisting of yarn, fabrics and garments. Consequently, the management believes that there are no reportable segments as required under Ind AS 108 - 'Segment Reporting'.

Information about major customers (entity wise disclosures)

Particulars	As at 31 March 2021	As at 31 March 2020
Customer 1	29,600,914	35,133,292
Customer 2	12,737,519	35,493,383
Customer 3	12,962,727	22,224,795
	55,301,160	**92,851,470**

Information about geographical areas (entity wise disclosures)

Particulars	As at 31 March 2021	As at 31 March 2020
Revenue from customers attributable to UK	42,338,433	108,959,417
Revenue from customers attributable to UAE	12,962,727	22,224,795
Revenue from customers attributable to other foreig Countries	-	2,184,934
Revenue from customers from India	9,309,498	17,090,918
	64,610,658	**150,460,064**

52 Export Benefit Incentives

The Company has accounted an amount of Rs. 11,32,408 (31 March 2020 : Rs. 48,71,809) 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.

53 Employee benefits

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 2021	As at 31 March 2020
I. Changes in present value of defined benefit obligations during the year	1,239,761	5,948,179
Service cost	44,129	81,463
Interest Cost	84,552	463,363
Past Service Cost	-	-
Benefits settled	(181,731)	(5,061,615)

Significant Accounting Policies for the year ended 31st March, 2021

	Actuarial (gain) / loss due to change in Financial Assumptions	-	19,898
	Actuarial (gain) / loss due to change in Experience	50,736	(211,527)
	Present Value of Defined Benefits at the end of the year	**1,237,447**	**1,239,761**
II.	**Plan assets at year beginning, at fair value**	**485,390**	**5,373,190**
	Interest Income	33,104	418,572
	Return on Plan Assets excluding Interest	1,458	(244,757)
	Contributions	-	-
	Benefits settled	-	(5,061,615)
	Plan assets at end of the year, at fair value	**519,952**	**485,390**
III.	**Reconciliation of present value of the obligation and the fair value of the plan assets:**		
	Closing obligations	(1,237,447)	(5,948,179)
	Closing fair value of plan assets	519,952	5,373,190
	Asset / (liability) recognised in the balance sheet	**(717,495)**	**(574,989)**
IV.	**Net Interest Cost for the period**		
	Interest Cost	84,552	463,363
	Interest Income	(33,104)	(418,572)
	Net Interest Cost for the period	**51,448**	**44,791**
V.	**Expenses Recognized in the Statement of Profit or Loss for Current Period**		
	Service cost	44,129	81,463
	Net Interest cost	51,448	44,791
	Past Service Cost	-	-
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	-	-
	Expenses Recognized	**95,577**	**126,254**
VI.	**Expenses Recognized in the Other Comprehensive Income (OCI) for the current period**		
	Actuarial (Gains)/Losses on Obligation For the Period	50,736	(191,629)
	Return on Plan Assets, Excluding Interest Income	(1,458)	244,757
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**49,278**	**53,128**
VII.	**Category of Assets**		
	Insurance fund	519,952	485,390
		519,952	**485,390**
VIII.	**Maturity Analysis of the Benefit Payments:**		
	1st Following Year	241,838	1,078,429
	2nd Following Year	35,423	3,595
	3rd Following Year	936,604	4,791
	4th Following Year	5,370	6,022
	5th Following Year	5,535	6,381
	Sum of Years 6 to 10	30,397	34,794
	Sum of Years 11 and above	328,878	466,885

IX.	**Sensitivy Analysis for significant assumptions**		
	Salary Escalation - Up by 1%	35,377	25,425
	Salary Escalation - Down by 1%	(32,620)	(21,142)
	Attrition Rates - Up by 1%	3,934	4,975
	Attrition Rates - Down by 1%	(4,537)	(6,273)
	Discount Rates - Up by 1%	(31,507)	(20,456)
	Discount Rates - Down by 1%	34,743	24,946
	Assumptions		
	Interest rate		
	Discount rate	6.82%	6.82%
	Estimated rate of return on plan assets	6.82%	6.82%
	Salary increase	4.00%	4.00%
	Attrition rate	2.0%	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.

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

Umesh M. Katre	Chairman & Director
Seema Katre	Whole Time Director
Neeraj Madhukar Desai	Independent Director
Nilesh Shyam Shevade	Independent Director
Sandeep Vishwanath Khedekar	Chief Financial Officer
Sunil Joshi	Company Secretary (w.e.f. 13.08.2020)

Significant Accounting Policies for the year ended 31st March, 2021

(i) Related party transactions

Particulars	As at 31 March 2021	As at 31 March 2020
Key Management personnel compensation		
Umesh M. Katre		
Short term employee Benefits	2,239,600	3,036,152
Post employment Benefits	-	251,586
Seema Katre		
Short term employee Benefits	688,651	768,500
Post employment Benefits	894,231	966,231
Shweta Katre		
Short term employee Benefits	526,000	-
Post employment Benefits	26,400	-
Rohan Umesh Katre		
Short term employee Benefits	-	973,248
Post employment Benefits	-	238,338
Sandeep Vishwanath Khedekar		
Short term employee Benefits	392,735	73,318
Praveen Kokam		
Short term employee Benefits	-	240,000
Sunil Joshi		
Short term employee Benefits	175,000	-
Director's Sitting Fees		
Neeraj Madhukar Desai	27,500	32,500
Lease Rent		
Umesh M. Katre	120,000	120,000
Purchase of Services		
Umesh M. Katre	600,000	600,000
Sale of Fixed Assets (Inlusive of GST)		
Nilesh Shyam Shevade	1,886,001	-
Advance Received for sale of Fixed assets		
Nilesh Shyam Shevade	628,667	628,667
Loan from Directors (net)		
Umesh M. Katre	1,500,000	3,500,000

(ii) Amount outstanding as at the balance sheet date

Short-term borrowings		
Umesh M. Katre	5,000,000	5,889,329
Security Deposit (Lease Deposit)		
Umesh M. Katre	500,000	500,000
Advance Received for sale of Fixed assets		
Nilesh Shyam Shevade	-	1,257,334

Significant Accounting Policies for the year ended 31st March, 2021

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, 2021	March 31, 2020	March 31, 2020	March 31, 2019
- Financial Assets at Amortised Cost (Non-Current)					
- Loans	8	150,000	787,023	-	-
- Other financial assets	-	-	-	-	
- Financial Assets at Amortised Cost (Current)					
- Trade receivable	13	6,788,216	11,246,067	-	-
- Loans	14	5,392,859	5,711,936	-	-
- Cash and cash equivalents	15	3,760,555	8,526,232	-	-
- Other bank balances	-	-	-	-	-
- Other financial assets	17	324,997	324,997	-	-
(A)		**16,416,626**	**26,596,255**	**-**	**-**
- Financial Liabilities at Amortised Cost (Non-Current)					
- Borrowings	21	3,100,000	204,223	-	-
- Other financial liabilities	23	-	1,610,503.04	-	-
- Financial Liabilities at Amortised Cost (Current)					
- Borrowings	25	16,775,803	17,835,431	-	-
- Trade and other payables	26	4,333,901	10,407,331	-	-
- Other financial liabilities	27	13,967,583	19,522,093	-	-
(B)		**38,177,287**	**49,579,581**	**-**	**-**
Financial Assets/Liabilities at Amortised Cost (A-B)		**(21,760,661)**	**(22,983,326)**	**-**	**-**

Particulars		Carrying value		Fair value	
		March 31, 2021	March 31, 2020	March 31, 2020	March 31, 2019
- Financial Asset at FVTPL (Non- Current)					
- Investments	7	-	1,697,046	-	1,697,046
- Financial Asset at FVTPL (Current)					
- Investments	12	8,495	206,000	8,495	206,000
Financial Assets/Liabilities at FVTPL		**8,495**	**1,903,046**	**8,495**	**1,903,046**

Particulars		Carrying value		Fair value	
		March 31, 2021	March 31, 2020	March 31, 2020	March 31, 2019
- Financial Asset at FVOCI (Non- Current)					
- Investments	7	-	-	-	-
Financial Assets at FVOCI	**-**	**-**	**-**	**-**	

Significant Accounting Policies for the year ended 31st March, 2021

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, 2020 and March 31, 2019

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

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	8,495	8,495	-	-
	7	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

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	206,000	206,000	-	-
- Non - Current	7	-	-	-	-
Quoted Mutual Funds - Current	12	-	-	-	-
- Non - Current	7	-	-	-	-
Others - Non - Current	7	1,697,046	1,697,046	-	-
FVOCI financial investments					
Quoted Mutual Funds - Non - Current	7	-	-	-	-

Significant Accounting Policies for the year ended 31st March, 2021

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 2021 and 31 March 2020 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.

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 2021	No of Units	As at 31 March 2020
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 suffered losses during the year and the total equity stands at Rs. 77,09,788 as at 31 March 2021 as against Rs.2,95,42,570 as at 31 March 2020. The Company is streamlining its manufacturing process and is also exploring the possibility of market expansion and evetually generate profit. In line with the cost cutting efforts, the Company closed its operations in Bengaluru in FY 2019-20 and decided to carry out the same from Company's other places of operations. This has been done with intention streamlining costs and revenue. Further, the net loss for the year has come down when compared to the previous year consequent to the cost cutting measures undertaken. Management at the end of the financial year has temporarily suspnded the trading activitiees in order to curb the increasing losses and has taken stand to wait out the period of uncetain business enviornment in the World Market due to Covid-19. Management is reviewing the overall market conditions regularly for resuming trading activities to correct the losses which has been faced by the company due to impact of Covid-19. Management believes that the company will be able to recover from losses in the next succeeding years once the market stabilises and it resumes its operations. Accordingly, the financials are prepared under going concern assumption which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

57 Ceasing Operations in Bangalore Unit

During the preceding year ended 31 March 2020, the company has ceased its operations in Bangalore as statated in above note 56 with an effort to streamline its costs.

58 Non current Assets Held for sale

During the current year asset held for sale worth Rs.24,82,253 is sold to identified buyer. The balance Non-current Assets held for Sale as on 31-03-2021 stands at Rs.8,91,079.

Significant Accounting Policies for the year ended 31st March, 2021

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 registeration 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 idenitfy and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regulalrly 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 2021	As at 31 March 2020
Unhedged Foreign Exchange Exposures		
Trade Receivables	4,960,030	8,587,500
	4,960,030	**8,587,500**

(b) Foreign Currency Risk from Financial Instrument as of

Nature Of Instrument	As at 31 March 2021		
	USD	GBP	Total
Trade Receivables (in INR)	3,519,178	1,440,852	4,960,030
Net Assets/Liabilities	**3,519,178**	**1,440,852**	**4,960,030**

Significant Accounting Policies for the year ended 31st March, 2021

(b) Foreign Currency Risk from Financial Instrument as of

Nature Of Instrument	As at 31 March 2020		
	USD	GBP	Total
Trade Receivables	-	8,587,500	8,587,500
Net Assets/Liabilities	**-**	**8,587,500**	**8,587,500**

(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.

Particulars	As at 31 March 2021	As at 31 March 2020
Impact on Profit and Loss Statement		
USD Sensitivity		
INR/USD - Increase by 2%	70,384	-
INR/USD - Decrease by 2%	(70,384)	-
GBP Sensitivity		
INR/USD - Increase by 2%	28,817	171,750
INR/USD - Decrease by 2%	(28,817)	(171,750)
Impact on Equity (Net of Tax)		
USD Sensitivity		
INR/USD - Increase by 2%	52,084	-
INR/USD - Decrease by 2%	(52,084)	-
GBP Sensitivity		
INR/USD - Increase by 2%	21,325	127,095
INR/USD - Decrease by 2%	(21,325)	(127,095)

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:

	As at 31 March 2021	As at 31 March 2020
Fixed-rate instruments:		
Financial assets	2,477,322	2,477,322
Financial liabilities	3,304,226	1,402,337
Variable-rate instruments:		
Financial assets	-	
Financial liabilities	11,775,803	11,946,102
	17,557,351	**15,825,761**



(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.

(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 2021	As at 31 March 2020
Impact on Profit and Loss Statement		
Loan and Borrowing		
Increase by 1%	(118,610)	(119,461)
Decrease by 1%	118,610	119,461
Impact on Equity (Net of Tax)		
Loan and Borrowing		
Increase by 1%	(87,771)	(88,401)
Decrease by 1%	87,771	88,401

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, 2021	6,788,216	-		6,788,216
As at 31 March, 2020	11,246,067	-		11,246,067

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.

Significant Accounting Policies for the year ended 31st March, 2021

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.

		Contractual cash flows			
	Carrying value	Total	Less than 1 year	1 - 5 years	more than 5 years
31 March 2021					
Long Term Borrowings	3,304,226	3,304,226	204,226	3,100,000	-
Trade payables	4,333,901	4,333,901	4,333,901	-	-
Short Term Borrowings	16,775,803	16,775,803	16,775,803	-	-
Other current financial Liabiilities	10,867,582	10,867,582	10,867,582	-	-
	35,281,513	**35,281,513**	**32,181,513**	**3,100,000**	**-**
31 March 2020					
Long Term Borrowings	1,402,337	1,402,337	204,223	1,198,114	-
Trade payables	10,407,331	10,407,331	10,407,331	-	-
Short Term Borrowings	17,835,431	17,835,431	17,835,431	-	-
Other current financial Liabiilities	19,934,482	19,934,482	19,934,482	-	-
	49,579,581	**49,579,581**	**48,381,467**	**1,198,114**	**-**

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 2021, the Company has liquidated the majority of their investments

Sensitivity

The table summarises the impact of increases/decreases of ther 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 2021	As at 31 March 2020
Impact on Profit and Loss Statement		
NSE Nifty Index		
Increase by 8%	-	
Decrease by 8%	-	-
Impact on Equity (Net of Tax)		
NSE Nifty Index		
Increase by 8%	-	-
Decrease by 8%	-	-

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 Companyt. The primary objective of the Company's capital management is to maximise the shareholder value.

Significant Accounting Policies for the year ended 31st March, 2021

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 2021	As at 31 March 2020
Long Term Borrowings (incl Current Maturities)	3,304,226	1,402,337
Short Term Borrowings	16,775,803	17,835,431
Total Borrowings (A)	20,080,029	19,237,768
As a percentage of total equity	72.26%	84.31%
Total equity (B)	**7,709,788**	**3,578,914**
As a percentage of total equity	27.74%	15.69%
Total Capital (A+B)	**27,789,817**	**22,816,682**

62 Impact of COVID-19

Coronavirus disease ("COVID-19), was declared a global pandemic by World Health Organisation. COVID-19 has caused severe disruptions caused by lockdown impositions by the Government in various geographies. The consequent business and economic environment drastically changed in response to the above lockdown and precautionary steps. The Company has considered the possible effects that may result from the pandemic relating to COVID-19. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has analysed the carrying amount of the assets and the same is expected to be recovered. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. The Company has evaluated the effect of COVID-19 on the preparation of financial statements on going concern basis. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

for and on behalf of the board of directors of
Spice Islands Apparels Limited

Sd/-	**Sd/-**
Umesh Katre	**Neeraj Desai**
Chairman & MD	Director
DIN : 00196300	DIN : 03184375
Sd/-	**Sd/-**
Sandeep Khedekar	**Sunil Joshi**
CFO	Company Secretary
Place :Mumbai	Place : Mumbai
Date :15th June, 2021	Date : 15th June, 2021
	Place : Mumbai
	Date : 15th June, 2021

NOTES



SPICE ISLANDS APPARELS LTD.

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210, Nariman Point, Mumbai - 400 021