

SPICE ISLANDS INDUSTRIES LIMITED

(PREVIOUSLY KNOWN AS SPICE ISLANDS APPARELS LTD.)

37th

ANNUAL REPORT
2024-2025

37th ANNUAL REPORT : 2024-25

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37th ANNUAL GENERAL MEETING
on 24th September, 2025 at 11.30 a.m.

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

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BOARD OF DIRECTORS

Chairman / Independent Director

MS. SHIKHA SETHIA BHURA

Whole-time Director

MR. SANDEEP JAMNADAS MERCHANT

Independent Director

MR. SHIVANAND RAMA HEMMADY

Independent Director

MR. KALPESH THAKORBHAI MISTRY
(Resigned w.e.f. 14/08/2025)

Executive Director Finance

MR. FARAAZ IRFAN CHAPRA

Executive Director

MR. CHIRAG CHANDULAL RAJAPOPAT

Chief Financial Officer

MR. FARAAZ IRFAN CHAPRA

Chief Executive Officer

MR. DHAVAL GIRISH CHHEDA

Company Secretary & Compliance Officer

MS. ARTI LALWANI

Bankers

BANK OF BARODA

Statutory Auditors

GIRIRAJ BANG & CO.
(CHARTERED ACCOUNTANTS)

Secretarial Auditor

ALOK KHAIRWAR & ASSOCIATES

Internal Auditor

P. D. CHOPDA & CO

REGISTERED OFFICE AND FACTORY

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

Tel: 022-67400800

Corporate Identification Number : L11045MH1988PLC050197

WEBSITE : www.spiceislandsapparelslimited.in

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

FOR LODGING INVESTOR GRIEVANCES:

grievance_redressal@spiceislandsindia.com

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

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

Tel: +91 22 4918 6000 (Extn. 2372)

E-mail : mt.helpdesk@in.mpms.mufig.com

Website : www.in.mpms.mufig.com

Notice of Annual General Meeting

SPICE ISLANDS INDUSTRIES LIMITED

(Previously Known as Spice Islands Apparels Ltd)

Unit 3043-3048, 3rd Floor, Bhandup Industrial Estate,

Pannalal Silk Mills Compound,

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

Corporate Identification Number : L11045MH1988PLC050197

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

Notice of 37th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTY SEVENTH (37th) ANNUAL GENERAL MEETING OF THE MEMBERS OF SPICE ISLANDS INDUSTRIES LIMITED (EARLIER KNOWN AS SPICE ISLANDS APPARELS LIMITED) WILL BE HELD ON WEDNESDAY, 24TH DAY OF SEPTEMBER, 2025 AT 11.30 A.M. (IST) VIA TWO-WAY VIDEO CONFERENCING ('VC') FACILITY OR OTHER AUDIO VISUAL MEANS ('OAVM') TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2025 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Faraaz Irfan Chapra (DIN 07854286) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To appoint the Secretarial Auditors and to authorize the Board to fix their remuneration

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

“RESOLVED THAT pursuant to the provisions of Section 204 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), Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, M/s. Alok Khairwar & Associates, Company Secretaries, (Firm Registration No. S2014MH257300) be and are hereby appointed as the Secretarial Auditors for auditing the secretarial records of the Company for a period of 5 (five) consecutive financial years from financial year 2025-26 till financial year 2029-30, at such remuneration and reimbursement of out of pocket expenses as may be recommended by the Audit Committee and determined by the Board of Directors of the Company in consultation of the Secretarial Auditors.”

“RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company, be and are hereby severally authorized to do and perform all necessary acts, deeds and things including incidental matters in connection with the above including execution, signing and filling of any forms, returns and documents with the concerned authorities.”

4. To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof authorized by the Board) to:

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Notice of Annual General Meeting

- a) give any loan to any person(s) or other body corporate(s);
- b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s);
- c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate;
- d) acquire immovable property, including land and buildings, by purchase, lease, exchange or otherwise, from time to time, in one or more tranches, as the Board may in its absolute discretion deem beneficial and in the interest of the Company,

provided that the aggregate of all loans or investments so far made, the amount for which guarantees or securities so far provided to all persons or bodies corporate, along with the proposed loans, investments, guarantees or securities and immovable property acquisitions, shall not exceed at any time Rs. 100 Crores (Rupees One Hundred Crores Only) over and above the limits specified under Section 186(2), namely sixty percent of the paid-up share capital, free reserves and securities premium account or one hundred percent of the free reserves and securities premium account of the Company, whichever is more.”.

RESOLVED FURTHER THAT the Board or any Committee thereof (with further powers to delegate) is authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution, and to settle any question or doubt that may arise in relation thereto.”

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

Arti Lalwani
Company Secretary and Compliance Officer
Membership no. A59871

Place : Mumbai
Date : May 28, 2025

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1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 05-05-2020, General Circular No. 02/2022 dated 05-05-2022, General Circular No. 10/2022 dated 28-12-2022, General Circular No. 09/2023 dated 25-09-2023 and General Circular No. 09-2024 dated 19-09-2024 and other applicable Circulars issued by the Securities and Exchange Board of India (SEBI) permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the MCA Circulars and SEBI Circulars, the 37th Annual General Meeting of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available. Hence proxy form and attendance slip are not annexed to this notice.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing's body resolution/authorization etc., authorizing their representative to attend the 37th AGM through VC /OAVM on its behalf and to vote through remote e-voting. The said resolution/ authorization shall be sent the Scrutinizer by email through its registered email address to csalokkhairwar@gmail.com and may also upload the same at evoting@cdslindia.com.
5. The register of members and share transfer books of the Company will remain closed from Thursday, September 18, 2025 and ends on Wednesday, September 24, 2025 (both days inclusive) for the purpose of 37th AGM of the Company.
6. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
7. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on Wednesday, September 17, 2025, being Cut-off Date.
8. The Board of Directors has appointed M/s Alok Khairwar & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer to scrutinize the e-voting process via remote e-voting and e-voting at the 37th AGM in a fair and transparent manner and he has consented to act as scrutinizer.
9. The facility of joining the 37th AGM through VC/ OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 37th AGM and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
10. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 37th AGM of the Company.
11. In terms of Sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the 37th AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for FY 2024 - 25 will also be available on the Company's website <http://www.spiceislandsapparelslimited.in/>, website of the Stock Exchange and RTA i.e. BSE Limited (www.bseindia.com) and CDSL (www.evotingindia.com).
12. Further, those Members who have not registered their email addresses may temporarily get themselves registered with Company's Registrar and Share Transfer Agent, MUFG Intime India Private Limited (Earlier known as Link Intime India Private Limited) ("RTA") by clicking the link: <https://in.mpms.mufg.com/> for receiving the Annual Report for FY 2024-25 also containing Notice of the AGM.
13. The Company has been maintaining, inter alia, the following statutory registers at its registered office.

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- i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.
14. Members are requested to address all the correspondences, to the Registrar and Share Transfer Agents, M/s. MUFG Intime India Private Limited (Earlier known as Link Intime India Private Limited), 1st Floor, C-101, Embassy 247, LBS Marg, Vikhroli West, Mumbai-400 083.
15. Members whose shareholding is in electronic mode are requested to direct change of address notification and updates on bank account details, if any, to the respective depository participants.
16. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the communications via email.
17. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members holding shares in electronic mode who have not got their e-mail addresses updated with the DP are requested to update their e-mail address and any changes therein. Members holding shares in physical mode are requested to update their e-mail address/mobile number, quoting their folio number, to our Registrar and Share Transfer Agent, viz., MUFG Intime India Private Limited (Earlier known as Link Intime India Private Limited), (Unit: Spice Islands Industries Limited), ("RTA") in the URL www.in.mpms.mufg.com or by writing to them at "C-101, 247 Park, LB S Marg, Vikhroli West, Mumbai — 400 083, or by e-mail to mt.helpdesk@in.mpms.mufg.com.
18. Since the 37th AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. The Company is also releasing a public notice by way of advertisement being published in English in The Free Press Journal and in vernacular language (Marathi) in Navshakti.
20. For the purpose of dispatch of this Notice, Shareholders of the Company holding shares either in physical form or in dematerialized form as on Friday, August 22, 2025 have been considered.
21. SEBI has mandated that certain service requests including transmission or transposition of securities held in physical form shall be processed by issuing securities in dematerialized form only and physical share certificates shall not be issued by the Company to the Securities holders/claimants. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize shares held by them in physical form, for ease in portfolio management.
22. SEBI has mandated the updation of PAN, contact, Bank account, and specimen signature and nomination details against folio/demat account.
23. Members are requested to submit PAN, contact details, Bank account, nomination details and specimen signature (as applicable) in case of holding the shares in physical form to their DP for dematerializing the shares in a specified form to RTA i.e. MUFG Intime India Private Limited [through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable)].
24. As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH-13, or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialized form, the nomination form may be filed with the respective DP or Company.
25. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.
26. CDSLE-VOTING SYSTEM-FOR E-VOTING AND JOINING VIRTUAL MEETINGS:
- i. The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 05-05-2020, General

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- Circular No. 02/2022 dated 05-05-2022, General Circular No. 10/2022 dated 28-12-2022 and General Circular No. 09/2023 dated 25-09-2023 and General Circular No. 09-2024 dated 19-09-2024 and other applicable Circulars issued by the Securities and Exchange Board of India (SEBI), have allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) up to 30th September 2025. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- ii. 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 08, 2020, April 13, 2020 and May 05, 2020 and January 13, 2021 and December 8, 2021 and December 14, 2021 and May 5, 2022 and 28th December, 2022 and September 25th, 2023, 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..
 - iii. The voting period begins on Sunday, September 21, 2025 (9:00 A.M.) and ends Tuesday, September 23, 2025 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 17, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The remote e-voting shall not be allowed beyond 5.00 PM on Tuesday, September 23, 2025. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - iv. 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.
 - v. Pursuant to MCA Circular No. 14/2020 dated April 08, 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 such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 - vi. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.spiceislandsapparelslimited.in/>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 - vii. 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.
 - viii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020, 22/2020 dated 15-06-2020, 33/2020 dated 28-09-2020, 39/2020 dated 31-12-2020, 10/2021 dated 23-06-2021, 20/2021 dated 08-12-2021, 10/2022 dated 28-12-2022, 09/2023 dated 25-09-2023 and General Circular No. 09-2024 dated 19-09-2024.
 - ix. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and General Circular No. 09/2023 dated 25.09.2023 and General Circular No. 09-2024 dated 19-09-2024 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2025, to

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conduct their AGMs through VC or OAVM on or before 30th September, 2025 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Sunday, September 21, 2025 (9:00 A.M.) and ends Tuesday, September 23, 2025 (5:00 P.M.) both days inclusive). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. on Wednesday, September 17, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com /myeasi / Registration /EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>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.</p> <p>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</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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Type of shareholders	Login Method
	4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . You will have to enter your 8 digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to SDL Depository site wherein you can 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
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.: 022-4886 7000 and 022-2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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

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For Physical shareholders and other than individual shareholders holding shares in Demat

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

Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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.
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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- Spice Islands Industries Limited > 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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

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- 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.
- It is Mandatory that, 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; csalokkhairwar@gmail.com or khedekar@spiceislandsindia.com (designated email address by company), if they have voted from individual tab& not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

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

- (iv) The Company would be providing the CDSL system for the Members to cast their vote through remote e-voting and participate in the AGM through VC. Members may access the same at <https://www.evotingindia.com> under shareholders/ Members login by using the remote e-voting credentials.
- (v) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- (vi) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

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

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

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

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

Place : Mumbai
Date : May 28, 2025

NOTES

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

Item No. 3

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on 28th May, 2025 have approved and recommended the appointment of M/s. Alok Khairwar & Associates, Company Secretaries, (Firm Registration No. S2014MH257300), Peer Reviewed Firm of Company Secretaries in Practice ('Secretarial Audit Firm') as Secretarial Auditors of the Company on the following terms and conditions:

- Term of appointment: 5 (Five) consecutive years for Audit period commencing from financial year 2025-26 till financial year 2029-30.
- Proposed Fees: on such terms of remuneration, including reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor.
- Basis of recommendations: The recommendations are based on evaluation and consideration of various factors such as industry experience, competency of the audit team, efficiency and quality in conduct of audit, independent assessment, etc.,
- Consent and Eligibility: The Secretarial Audit Firm has consented to their appointment and have confirmed that their appointment, if made, would be pursuant to Regulation 24A of SEBI Listing Regulations and that they are not disqualified to be appointed as the Secretarial Auditors in terms of the provisions of SEBI Listing Regulations. The Secretarial Audit Firm holds a valid Peer Review Certificate issued by ICSI.

None of the Director(s), Key Managerial Personnel(s) of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the resolution set forth in Item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

Item No. 4.

In terms of the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a company is permitted to give loans, guarantees, provide securities, and make investments in other bodies corporate, up to certain limits. Where such limits exceed sixty percent of the paid-up share capital, free reserves and securities premium account or one hundred percent of the free reserves and securities premium account, whichever is higher, prior approval of the shareholders by way of a Special Resolution is required.

Although the current loans, guarantees, and investments made by the Company are well within the limits prescribed under the Act, the Board of Directors considers it prudent and in the Company's interest to enhance the limits to Rs. 100 Crores (Rupees One Hundred Crores Only). This will provide greater flexibility for financial structuring, strategic investments, and business opportunities, including the acquisition of immovable property for operational or strategic purposes.

Accordingly, the Company also proposes to empower the Board to acquire immovable property, including land and buildings, by purchase, lease, exchange or otherwise, from time to time, in one or more tranches, as it may deem fit and in the best interest of the Company.

This resolution will allow the Company to deploy its funds more effectively for business expansion, asset acquisition, or financial support to group entities or other strategic investments, while remaining compliant with the applicable legal framework.

The proposed transactions, if any, will be carried out in accordance with the Investment Policy of the Company and subject to other applicable approvals.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for approval of the members as a Special Resolution.

By order of the Board of Directors,
For Spice Islands Industries limited
Sd/-

Arti Lalwani
Company Secretary and Compliance Officer
Membership no. A59871

Place : Mumbai
Date : May 28, 2025

37th ANNUAL REPORT : 2024-25

ANNEXURE TO THE NOTICE

Information about directors seeking re-appointment / appointment at the 37th Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. Faraaz Irfan Chapra
I. Brief Resume	
Age (in years)	28 Years
DIN	07854286
Father's Name	Mr. Irfan Chapra
Date of Birth	13/10/1996
Educational Qualifications	Master's in Business Administration and Management
Experience	He is a passionate personality with more than 5 years of experience in Investment Banking and having immense knowledge in economics. He has excellent knowledge in the sector of Equity, Hospitality, Infrastructure, Overseas Recruitment and Private Equity. He is currently engaged as Managing Director of Chapra Capital Venture, Co-founder of Vission Sidvi Reality Private Limited, Ferry Automotive Private Limited. He bagged to his credit certifications in the field of Advance Data Science, Financial Markets, Economics of Money and Banking, Advanced Valuation and Strategy in M&A, Private Equity and Venture capital, Data Analysis and Presentation Skills.
Nature of expertise	Mr. Faraaz Irfan Chapra is highly qualified personnel with Masters in Business Administration and Management, and related supportive services. He is engaged in Ph. D. which shows his dedication towards continuous learning and intellectual curiosity.
II. Other details	
Date of Appointment	10/04/2024
Terms and Conditions of appointment	Appointment as an Executive Director
Last drawn remuneration	None
Remuneration sought to be paid	None
Relationship with other Directors / Manager / KMP	None
Other Directorships	<ol style="list-style-type: none"> 1. Vision Siddhivi Reality Private Limited 2. Ferry Automotive Private Limited 3. Chapra Capital Ventures Private Limited 4. Al Risha Recruitment Consultancy Private Limited
Committee Memberships in other Boards	None
Last three years directorship	<ol style="list-style-type: none"> 1. Vision Siddhivi Reality Private Limited 2. Ferry Automotive Private Limited 3. Al Risha Recruitment Consultancy Private Limited
Number of meetings of the Board attended during the year	6
Number of equity shares held (including joint holdings)	None
Number of equity shares held as beneficial owners in the Company	None

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the Thirty-Seventh Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2025.

1. FINANCIAL RESULTS AND OPERATIONS:

The Company's financial performance, for the financial year ended March 31, 2025 is summarized as below;

Particulars	For the year 2024-25 Rs (in lacs)	For the year 2023-24 Rs (in lacs)
Revenue from Operations	77.87	—
Other Income	220.00	132.97
Total Revenue	297.87	132.97
Profit before Depreciation and Finance cost	123.89	42.27
Depreciation and Amortization expense	6.20	3.97
Finance Cost	5.50	6.44
Profit before Tax	112.19	31.86
Deferred Tax Charge (Credit)	67.34	-
Tax for Earlier Years	(2.88)	-
Profit After Tax	47.73	31.86

FINANCIAL PERFORMANCE

For the fiscal year 2024–25, the Company achieved a notable turnaround, delivering a profit after tax of Rs. 47.73 lakhs, compared to Rs. 31.86/ lakhs in the prior year. This strong result illustrates a nearly five fold increase in profitability.

While revenue from operations moderated slightly increased to Rs. 77.87 / lakhs. This was more than offset by a significant boost in other income, which rose to Rs. 220.00/ lakhs from Rs. 132.97/ lakhs. Consequently, total revenue surged to Rs. 297.87 / lakhs; nearly double the previous year's Rs. 132.98/ lakhs.

On the cost side, EBITDA soared to Rs. 123.89/ lakhs (up from Rs. 42.20 / lakhs), as depreciation and amortization increased modestly (Rs. 6.20 / lakhs vs. Rs. 3.97/ lakhs), and finance costs declined slightly (Rs. 5.50 / lakhs vs. Rs. 6.44/ lakhs). This translated into a healthy profit before tax of Rs. 112.19/ lakhs, markedly higher than Rs. 31.86 / lakhs in FY 2023–24.

A tax adjustment—driven by a deferred tax credit of Rs. 67.34/ lakhs, partially offset by Rs. 2.88/ lakhs for earlier years—further enhanced net results.

2. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserves for the financial year under review.

3. FINANCIAL STATEMENTS

The Company's financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) mandated under Section/ 133 of the Companies Act, 2013, read with Rule/ 3 of the Companies (Indian Accounting Standards) Rules, 2015, and subsequent amendments thereto.

These statements give a true and fair view of the company's financial position, financial performance, cash flows, and changes in equity in compliance with Ind AS and the presentation and disclosure requirements prescribed under Schedule III to the Companies Act.

4. SHARE CAPITAL

As on March 31, 2025, the Authorised Share Capital of the Company stood at Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each.

DIRECTOR'S REPORT

The Issued, Subscribed and Paid-up Share Capital of the Company as on the same date was Rs. 4,30,00,000/- (Rupees Four Crores Thirty Lakhs only), comprising 43,00,000 equity shares of face value Rs. 10/- each.

During the financial year, the Board of Directors, at its meeting held on October 30, 2024, approved the preferential allotment of 19,33,324 (Nineteen Lakhs Thirty-Three Thousand Three Hundred Twenty-Four) convertible warrants to investors falling under the Non-Promoter category, at an issue price of Rs. 45/- per warrant. Each warrant entitles the holder to apply for and be allotted one equity share of Rs. 10/- each, upon conversion.

The aforesaid preferential allotment was made pursuant to:

- the approval of the shareholders, and
- in compliance with the applicable provisions of the Companies Act, 2013,
- and Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

An amount equivalent to 25% of the issue price per warrant has been received as upfront subscription money, in accordance with the applicable regulatory requirements. The balance 75% shall be payable at the time of exercise of the option to convert the warrants into equity shares, within the prescribed period.

5. DIVIDEND

The Board of Directors has carefully evaluated the Company's financial position, business needs, and future growth plans. After thorough consideration, the Board has decided not to recommend any dividend for the financial year ended March 31, 2025, in order to conserve resources and support reinvestment in the business. This decision aligns with prudent capital management and long-term strategic objectives.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i. Global Economy Overview

The global economy in FY 2024–25 remained under pressure amid inflationary trends, monetary tightening, and persistent geopolitical tensions. Advanced economies witnessed modest growth, led by the United States and selective European economies, while developing nations, particularly in Asia, showed higher resilience driven by domestic consumption and industrial recovery. Supply chain stabilization and tech-enabled services contributed to economic normalization, even as global investment sentiments remained cautious.

b. Indian Economy Overview

India continued to be one of the fastest-growing major economies during FY 2024–25, with estimated GDP growth of around 6.8%. This growth was driven by infrastructure investment, strong rural and urban demand, digital adoption, and proactive policy measures by the government and RBI. Despite global headwinds, India maintained stable inflation, healthy foreign reserves, and improved credit availability. Sectors such as FMCG, real estate, EV mobility, and hospitality witnessed rising investor and consumer interest.

c. Food and Beverages Sector Overview

The Indian food and beverages (F&B) sector experienced robust growth supported by evolving consumer preferences, health consciousness, increasing disposable income, and a shift toward packaged, ready-to-eat, and functional foods. The Company, through its object clauses, is positioned to operate across a wide spectrum of F&B products including processed foods, bakery and confectionery, dairy, ready-to-cook meals, beverages (carbonated/non-carbonated), mineral water, nutritional products, and wellness drinks. The segment holds high potential due to rising demand in Tier II and Tier III cities, e-commerce penetration, and consumer shift to branded and health-focused offerings.

d. Hospitality Business

The hospitality sector in India rebounded strongly in FY 2024–25, supported by domestic travel, MICE events, wedding tourism, and gradual return of international travellers. The Company's hospitality

DIRECTOR'S REPORT

business, as envisaged in its objects, includes development and management of hotels, resorts, service apartments, and commercial spaces including townships and food courts. The Government's continued thrust on tourism infrastructure, public-private partnerships, and digitalization is further expected to support sustained growth in this segment.

e. EV Business

Electric Vehicles (EVs) continued to gain traction during FY 2024–25, with strong policy support under the FAME II scheme, state-level incentives, and increasing EV adoption in both passenger and fleet segments. The Company's EV business object enables it to engage in leasing, renting, and operating electric vehicles of all types, along with providing allied consultancy services. With consumer preferences shifting towards sustainable mobility, and increased focus on clean energy, the EV segment presents a scalable opportunity.

f. Opportunities in the Above Three Sectors

- i. Food and Beverages: Rising demand for packaged health foods, immunity-boosting products, and digital-first brands; high potential in exports.
- ii. Hospitality: Rapid growth in mid-scale and budget segments, boom in experiential stays and eco-tourism, increased asset-light partnerships.
- iii. EV: Expansion of charging infrastructure, growing demand for leasing of electric fleet vehicles, and increased localisation of components..

g. SWOT Analysis

Strength

- i. Diversified business segments with scalable growth potential
- ii. Strong alignment with government initiatives (e.g., Make in India, FAME II, Startup India)
- iii. Broad object clauses enabling flexible expansion

Weaknesses

- i. High capital expenditure and gestation period in hospitality and EV sectors
- ii. Regulatory dependencies and execution risks.

Opportunities

- i. Rising demand for health-conscious food products and electric mobility
- ii. Growing domestic and international tourism
- iii. Shift toward asset-light and tech-enabled business models.

Threats:

- i. Volatility in input costs and global commodity pricing affecting F&B margins
- ii. Regulatory and environmental compliance challenges in hospitality and EV sectors
- iii. Intense market competition from established brands and new-age startups
- iv. Policy dependency and subsidy phase-out risks in the EV segment
- v. Macroeconomic uncertainties including inflation, currency fluctuations, and global slowdowns impacting investment and consumer demand

Our Proposed Strategy:

- i. The Company aims to strategically invest in:
- ii. Building its F&B portfolio through in-house development and brand partnerships
- iii. Developing boutique hospitality and lifestyle-focused stay options in high-demand areas
- iv. Entering into leasing/fleet operations of electric vehicles, especially for last-mile delivery and shared mobility segments

Human Resources The Company believes in building a collaborative and diverse workforce. As of March 31, 2025, the Company maintained lean and efficient operations with selective hiring in key strategic areas. Training and development continued to remain a key focus.

DIRECTOR'S REPORT

Internal Controls and Adequacy The Company has implemented robust internal control systems to ensure reliable financial reporting, safeguard of assets, operational efficiency, and legal compliance. These systems are periodically reviewed and tested for effectiveness.

Management's Responsibility Statement The Board of Directors acknowledges its responsibility for ensuring the integrity and accuracy of the financial statements and confirms that appropriate accounting policies and standards have been consistently applied. The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with applicable laws.

Cautionary Statement The statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, and expectations may constitute "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. The Company assumes no responsibility to publicly amend, modify or revise any such statements based on subsequent developments, information or events.

7. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT STRATEGY

The Company has an adequate system of internal controls to safeguard and protect itself from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements. The management of the Company checks and verifies the internal control and monitors them in accordance with policies adopted by the Company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

8. CHANGE IN NATURE OF BUSINESS

During the year under review, the Company strategically realigned its operating focus by amending Clause III (A) – Main Objects of the Memorandum of Association ("MoA"). Pursuant to a Special Resolution approved by members via Postal Ballot (deemed as passed on July 6, 2024), the former main objects were substituted and reorganised into three succinct business segments:

- Segment I – Food and Beverages
- Segment II – Hospitality Business
- Segment III – Electric Vehicle (EV) Business

The amendment was carried out in compliance with sections 4 and 13 of the Companies Act, 2013 and the rules framed thereunder. Clause III (B) – "Objects Incidental or Ancillary to the Attainment of the Main Objects" – remains unchanged.

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

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

10. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

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

11. CORPORATE GOVERNANCE

In accordance with Regulation/ 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Company is not required to submit a separate Corporate Governance Report under Regulation/ 27 (2) for the financial year 2024-25.

Under Regulation/ 15 (2) (a), listed entities are exempt from general Corporate Governance provisions (Regulations/ 17-27, certain sub-clauses of Regulation/ 46, and parts of Schedule/ V) only if both:

- Paid-up equity share capital Rs. 10 crore, and
- Net worth Rs. 25 crore, as on the last day of the previous financial year.

DIRECTOR'S REPORT

Given that our share capital and/or net worth thresholds are not met under these dual limits, the regulatory exemption applies, and therefore, no separate Corporate Governance Report has been included in the Annual Report.

The Company reaffirms its commitment to comply with all applicable Corporate Governance norms as laid down under applicable SEBI and statutory regulations if and when it crosses the prescribed thresholds in future periods. (Refer Annexure/ A)

12. EXTRACT OF ANNUAL RETURN

In accordance with the requirements of Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, a copy of Annual Return in Form MGT-7 is placed on the website of the Company as part of Company's Annual Report 2024-25 at the following web link http://www.spiceislandsapparelslimited.in/MGT-7_2024-25.pdf.

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

During the year under review, no significant or material orders were passed by any Regulators, Courts, or Tribunals which could impact the going concern status of the Company or its future operations.

14. BOARD OF DIRECTORS

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

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Ms. Shikha Sethia Bhura	07799537	November 08, 2023
2	Mr. Shivanand Rama Hemmady	00838098	November 08, 2023
3	Mr. Sandeep Jamnadas Merchant	05210128	November 08, 2023
4	*Mr. Faraaz Irfan Chapra	07854286	April 10, 2024
5	^ Mr. Chirag Chandulal Rajapopat	10585562	April 10, 2024
6	&Mr. Kalpesh Thakorbhai Mistry	07599056	July 03, 2024

Note –

- i. *Mr. Faraaz Irfan Chapra was appointed as an Additional Director (Executive Director – Finance) with effect from April 10, 2024. His appointment was subsequently regularized by the Members through Postal Ballot on July 06, 2024.
- ii. ^ Mr. Chirag Chandulal Rajapopat was appointed as an Additional Director (Executive Director) with effect from April 10, 2024 and his appointment was likewise regularized by the Members through Postal Ballot on July 06, 2024.
- iii. &Mr. Kalpesh Thakorbhai Mistry was appointed as an Additional Director (Non-Executive, Independent) with effect from July 03, 2024. His appointment was regularized by the Members at the Annual General Meeting held on August 19, 2024.

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

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

Retirement by Rotation - Independent directors hold office for a fixed term not exceeding five years from the date of their appointment and are not liable to retire by rotation. The Act mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Mr. Faraaz Irfan Chapra (DIN 07854286) directors, being the longest in the office among the

DIRECTOR'S REPORT

directors liable to retire by rotation, retire from the Board this year and, being eligible, have offered themselves for re-appointment.

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

I. KEY MANAGERIAL PERSONNEL (KMP)

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

Sr. No.	Name of the KMP	Designation
1	Mr. Sandeep Jamnadas Merchant	Whole-time Director
2	Ms. Arti Lalwani (appointed w.e.f May 28, 2024)	Company Secretary & Compliance Officer
3	Mr. Faraaz Irfan Chapra (appointed w.e.f April 10, 2024)	CFO
4	Mr. Dhaval Girish Chheda	CEO

ii. NUMBER OF MEETINGS AND ATTENDANCE:

In compliance with Section 134(3)(b) of the Companies Act, 2013 and Secretarial Standard-1 (SS-1), the Company convened six Board meetings during the financial year 2024-25. Detailed notices, agendas and supporting papers were circulated well in advance, enabling Directors to plan their schedules and participate meaningfully:

Sr. No.	Director	Category	Meetings Eligible*	Meetings After
1	Ms. Shikha Sethia Bhura	Independent, Non-Executive	6	6
2	Mr. Shivanand Rama Hemmady	Independent, Non-Executive	6	6
3	Mr. Sandeep J. Merchant	Whole-time Director	6	6
4	†Mr. Faraaz I. Chapra	Executive Director – Finance	5	5
5	†Mr. Chirag C. Rajapoppat	Executive Director	5	5
6	‡Mr. Kalpesh T. Mistry	Independent, Non-Executive	4	4

Dates of meetings: April 10, 2024, May 28, 2024, July 23, 2024, October 30, 2024, November 12, 2024 and February 14, 2025

* "Meetings Eligible" is the number of Board meetings held after the Director's appointment and before any cessation, if applicable.

† Appointed 10 April 2024.

‡ Appointed 3 July 2024; hence eligible for four meetings.

All attendances have been recorded in the minutes, which were duly confirmed at the subsequent meeting, thereby satisfying the record-keeping requirements of SS-1.

15. COMPOSITION OF COMMITTEES AND ATTENDANCE:

A. AUDIT COMMITTEE:

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

Sr. No.	Name of Members	Designation	Position
1	Mr. Kalpesh Thakorbbhai Mistry	Independent Director	Chairman
2	Mr. Shivanand Rama Hemmady	Independent Director	Member
3	Ms. Shikha Sethia Bhura	Independent Director	Member

DIRECTOR'S REPORT

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

Pursuant to provision of Section 177 of the Companies act 2013, during the year under review, four meetings were held on May 25, 2024, July 23, 2024, November 12, 2024 and February 14, 2025. The time interval between any two Audit Committee meetings did not exceed 120 days. The attendance records of the members at the meeting are as follows:

Sr. No.	Name of Members	Designation	Attendance
1	##Ms. Shikha Sethia Bhura	Member	4
2	\$Mr. Umesh M. Katre	Member	1
3	\$\$Mr. Shivanand Rama Hemmady	Member	4
4	&&Mr. Kalpesh Thakorbbhai Mistry	Chairman	3

Note –

- i. \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.
- ii. &&Mr. Kalpesh Thakorbbhai Mistry was appointed as an Additional Director (Non-Executive, Independent) with effect from July 03, 2024. His appointment was regularized by the Members at the Annual General Meeting held on August 19, 2024.
- iii. ## Ms. Shikha Sethia Bhura was appointed as an Additional Director in the category of Non-Executive – Independent Director with effect from November 08, 2023. Her appointment was subsequently regularized by the Members through Postal Ballot on January 05, 2024.
- iv. \$\$ Mr. Shivanand Rama Hemmady was appointed as an Additional Director in the category of Non-Executive – Independent Director with effect from November 08, 2023. His appointment was subsequently regularized by the Members through Postal Ballot on January 05, 2024.

B. NOMINATION AND REMUNERATION COMMITTEE:

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

Sr. No.	Name of Members	Designation	Position
1	Mr. Shivanand Rama Hemmady	Independent Director	Chairman
2	Ms. Shikha Bhura	Independent Director	Member
3	Mr. Kalpesh Thakorbbhai Mistry	Independent Director	Member

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

Pursuant to provision of Section 178 (1) of the Companies act 2013, during the year under review, 3 meeting were held on April 10, 2024, May 28, 2024 and July 23, 2024. The attendance record of the members at the meeting was as follows:

DIRECTOR'S REPORT

Sr. No.	Name of Members	Designation	Attendance
1	\$\$Mr. Shivanand Rama Hemmady	Chairman	3
2	\$Mr. Umesh M. Katre	Member	1
3	##Ms. Shikha Sethia Bhura	Member	3
4	&&Mr. Kalpesh Thakorbhai Mistry	Member	1

Note –

- i. \$\$ Mr. Shivanand Rama Hemmady was appointed as an Additional Director in the category of Non-Executive – Independent Director with effect from November 08, 2023. His appointment was subsequently regularized by the Members through Postal Ballot on January 05, 2024.
- ii. \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.
- iii. ## Ms. Shikha Sethia Bhura was appointed as an Additional Director in the category of Non-Executive – Independent Director with effect from November 08, 2023. Her appointment was subsequently regularized by the Members through Postal Ballot on January 05, 2024
- iv. &&Mr. Kalpesh Thakorbhai Mistry was appointed as an Additional Director (Non-Executive, Independent) with effect from July 03, 2024. His appointment was regularized by the Members at the Annual General Meeting held on August 19, 2024.

C. STAKEHOLDER RELATIONSHIP COMMITTEE:

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

Sr. No.	Name of Members	Designation	Attendance
1	Mr. Kalpesh Thakorbhai Mistry	Independent Director	Chairman
2	Ms. Shikha Sethia Bhura	Independent Director	Member
3	Mr. Sandeep Jamnadas Merchant	Whole time Director	Member

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

Pursuant to provision of Section 178(5) of the Companies act 2013, during the year under review, 2 meeting were held on April 10, 2024 and February 14, 2025. The attendance record of the members at the meeting was as follows:

Sr. No.	Name of Members	Designation	Attendance
1	&&Mr. Kalpesh Thakorbhai Mistry	Chairman	2
2	\$Mr. Umesh M. Katre	Member	0
3	##Ms. Shikha Sethia Bhura	Member	2
4	+ Mr. Sandeep Jamnadas Merchant	Member	2

Note –

- i. &&Mr. Kalpesh Thakorbhai Mistry was appointed as an Additional Director (Non-Executive, Independent) with effect from July 03, 2024. His appointment was regularized by the Members at the Annual General Meeting held on August 19, 2024.
- ii. \$Mr. Umesh M. Katre resigned from the post of directorship on May 25, 2024.

DIRECTOR'S REPORT

- iii. ## Ms. Shikha Sethia Bhura was appointed as an Additional Director in the category of Non-Executive – Independent Director with effect from November 08, 2023. Her appointment was subsequently regularized by the Members through Postal Ballot on January 05, 2024.
- iv. + Mr. Sandeep Jamnadas Merchant was appointed as an Additional Director in the category of Non-Executive – Independent Director with effect from November 08, 2023. His appointment was subsequently regularized by the Members through Postal Ballot on January 05, 2024.

D. MEETING OF INDEPENDENT DIRECTORS:

The Board of Directors reconstituted the Independent Directors Committee on July 05, 2024, following the resignation of Mr. Neeraj Madhukar Desai and Mr. Milind Sitaram Desai. At the same meeting, the Board inducted Ms. Shikha Sethia Bhura, Mr. Shivanand Rama Hemmady, and Mr. Kalpesh Thakorbbhai Mistry as Independent Directors, and appointed them to the said Committee.

The composition of the reconstituted Independent Directors Committee is as follows:

Sr. No.	Name of Members	Designation	Position
1	Ms. Shikha Sethia Bhura	Independent Director	Chairman
2	Mr. Shivanand Rama Hemmady	Independent Director	Member
3	Mr. Kalpesh Thakorbbhai Mistry	Independent Director	Member

In accordance with the provisions of Schedule IV to the Companies Act, 2013, a separate meeting of the Independent Directors was held on February 14, 2025. The meeting was attended by all the Independent Directors, namely:

- Ms. Shikha Sethia Bhura
- Mr. Shivanand Rama Hemmady
- Mr. Kalpesh Thakorbbhai Mistry

The Independent Directors, at their meeting, reviewed:

- the performance of the Board as a whole,
- the performance of various Committees of the Board,
- the performance of individual Directors, and
- the quality, quantity, and timeliness of flow of information between the Company's management and the Board, which is necessary for effective functioning and decision-making.

The Independent Directors expressed overall satisfaction with the Board's performance, its processes, and the support received from the management.

16. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Further, all Independent Directors have registered their names in the Independent Directors' Data Bank maintained with the Indian Institute of Corporate Affairs (IICA) and have confirmed compliance with the Code of Conduct for Independent Directors under Schedule IV of the Act, as well as the Code of Business Conduct and Ethics adopted by the Company.

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with applicable rules and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has, on the recommendation of the Nomination and Remuneration Committee, adopted a Nomination and Remuneration Policy.

The Policy lays down the framework for selection, appointment, and evaluation of Directors and Senior Management, as well as criteria for determining their qualifications, attributes, independence, and remuneration. It aims to ensure that the Company attracts and retains competent leadership aligned with its long-term strategic objectives.

DIRECTOR'S REPORT

18. REMUNERATION POLICY AND BOARD DIVERSITY POLICY:

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a comprehensive Remuneration Policy covering Directors, Key Managerial Personnel ("KMP") and other employees, together with a Board Diversity Policy that seeks to ensure an optimum mix of skills, experience, gender and background on the Board.

Both policies are available on the Company's website: [http:// www.spiceislandsapparelslimited.in /on_Board_Diversity.PDF](http://www.spiceislandsapparelslimited.in/on_Board_Diversity.PDF).

19. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with Regulation 25(7) of the Listing Regulations and Schedule IV of the Companies Act, 2013, the Company has formulated a Familiarization Programme for its Independent Directors. The programme provides an overview of the Company's operations, products, organizational structure, Board procedures and statutory responsibilities. The policy is hosted on the Company's website: <http://www.spiceislandsapparelslimited.in/Director.PDF>.

All newly inducted Independent Directors are given detailed presentations and site visits, and continuous updates are provided at Board/Committee meetings.

20. EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In accordance with Section 134(3)(p) of the Companies Act, 2013, Regulation 17 of the Listing Regulations and Part D of Schedule II thereto, the Board carried out the annual performance evaluation of:

- the Board as a whole;
- its Committees (Audit, Nomination & Remuneration, Stakeholders' Relationship, Independent Directors); and
- individual Directors.

The evaluation, facilitated by a structured questionnaire and peer feedback, covered parameters such as Board composition, meeting cadence, strategic guidance, risk oversight, quality of information flow and fulfilment of fiduciary duties. The results, reviewed by the Nomination & Remuneration Committee and placed before the Board, were found to be satisfactory and reflective of effective governance practices.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Company did not meet any of the thresholds specified under Section/ 135 (1) of the Companies Act, 2013 (i.e., net worth e" 1 500 crore, turnover e" Rs. 1,000 crore, or net profit e" Rs. 5 crore in the immediately preceding financial year)

Consequently, the provisions regarding the constitution of a CSR Committee and formulation of a CSR Policy were not applicable for the year FY/ 2024–25.

22. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms that:

- a) Applicable Accounting Standards have been followed in the preparation of the annual accounts and any material departures have been adequately explained;
- b) Accounting policies have been selected and applied consistently and reasonable, prudent estimates and judgments have been made so as to present a true and fair view of the state of affairs of the Company and of its profit for the year;
- c) Adequate accounting records have been maintained in accordance with the provisions of the Act 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; and
- e) Internal financial controls have been laid down and such controls are adequate and operating effectively.

DIRECTOR'S REPORT

23. AUDITORS

a) Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Giriraj Bang & Co, Chartered Accountants (Membership Number: 133898W), was appointed as Statutory Auditors of the Company by the Shareholders at their Annual General Meeting held on August 19, 2024, to hold office for a period of five years, from the conclusion of the 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2029.

Pursuant to MCA Notification No S.O./ 1833 (E) dated May/ 7,/ 2018, the requirement for members to ratify the Statutory Auditors' appointment at each AGM has been removed. Consequently, this matter is not included in the Notice for the 37th AGM.

The Statutory Auditors of the Company have submitted the Auditor's Report on the Financial Statements of the Company for the Financial Year ended March 31, 2025. The Auditor's Report is self-explanatory and requires no comments. Further, there were no adverse remarks or qualification in the Report that calls for Board's explanation. During the year under review, there were no frauds reported by Auditors under Section 143(12) of Companies Act, 2013.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had appointed M/s. Alok Khairwar & Associates, Company Secretaries (FCS: 10031) to conduct the Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report in Form MR-3 is annexed herewith as Annexure B and forms part of this Report.

The Company has received written Consent from the proposed Secretarial Auditors - Alok Khairwar & Associates, Firm of Practicing Company Secretaries and they have confirmed that they are not disqualified from being appointed as a Secretarial Auditors of the Company. A resolution seeking appointment of Alok Khairwar & Associates, Firm of Practicing Company Secretaries as Secretarial Auditors of the Company forms part of the Notice of 37th Annual General Meeting and the same is recommended for Members' approval.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board recommended to appoint Alok Khairwar & Associates, Firm of Practicing Company Secretaries, to conduct Secretarial Audit for the a consecutive term of five years commencing from Financial Years 2025 -2026 to 2029-2030.

The Secretarial Audit Report contains the following observations/qualifications:

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

Board's Response and Corrective Action:

The Company is in the process of updating its website to ensure full compliance with the requirements prescribed under Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is taking necessary steps to ensure that all applicable disclosures and information are made available on the website in a timely manner. The Company is committed to maintaining a transparent and compliant disclosure framework and expects to complete the required updates shortly."

2. Delay in transferring unclaimed dividend and corresponding shares to the Investor Education and Protection Fund (IEPF) in accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013.

DIRECTOR'S REPORT

Board's Response and Corrective Action:

The Board has taken note of the delay in filing the requisite IEPF forms and transferring the related unclaimed amounts and securities. Although preliminary corrective measures have been initiated, the Company has not yet completed the mandated filings and transfers.

The Board has therefore:

- approved an action calendar to complete all pending IEPF 1, IEPF 2 and IEPF 4 filings, together with the remittance of unclaimed dividends and transfer of underlying shares to the Fund, within the next statutory window;
- strengthened internal controls by designating a Nodal Officer and Deputy Nodal Officer and implementing a quarterly compliance check to prevent future lapses;
- undertaken to keep shareholders informed of the status of these filings through disclosures on the Company's website, in accordance with Rule/ 7 of the IEPF Rules.

The Board reaffirms its commitment to full regulatory compliance and will closely monitor progress until every outstanding requirement under the IEPF framework is duly met. Any further developments will be communicated to stakeholders in a timely manner.

c) Internal Auditors

The Board of Directors had re-appointed P. D. Chopda & Co., Chartered Accountants, as the Internal Auditors of the Company for the financial year 2024–25, and based on their performance and expertise, the Board has re-appointed them for the financial year 2025–26.

The Internal Auditors submit their reports to the Whole-time Director / CFO and the Audit Committee, which reviews the findings and recommends corrective actions, thereby ensuring the adequacy and effectiveness of the internal control systems and processes.

24. PERSONNEL AND RELATED DISCLOSURES

The Board places on record its sincere appreciation for the dedication, commitment and hard work displayed by employees at every level of the organisation during the year under review. The continued success of the Company is a direct result of their efforts.

In accordance with Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the prescribed disclosures relating to remuneration and other particulars of employees form part of this Report and are set out in Annexure C to the Annual Report.

Pursuant to Rule 5(2) of the aforesaid Rules, no employee of the Company received remuneration in excess of the limits specified therein during the financial year 2024-25.

Recognising that sustainable growth depends on attracting and retaining talent, the Company continued to strengthen its people practices in FY 2024-25. Key initiatives included:

- Targeted recruitment to fill critical skill gaps and support expansion plans;
- Enhanced learning and development programmes focused on leadership, digital competency and functional excellence; and
- Employee-engagement initiatives aimed at fostering an inclusive, performance-driven culture.

The Board is confident that these initiatives will further reinforce the Company's human-capital capabilities and contribute to its long-term growth trajectory.

25. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a robust Whistle-Blower Policy (Vigil Mechanism) for Directors and employees. The mechanism enables any stakeholder to report, in good faith, genuine concerns about unethical behaviour, actual or suspected fraud, or any violation of the Company's code of conduct.

DIRECTOR'S REPORT

A Vigil Mechanism Committee, chaired by the Chairman of the Audit Committee, oversees the effective implementation of the policy. Whistle-blowers have direct access to the Legal Head of the Company as well as to the Chairman of the Audit Committee, ensuring that all grievances are addressed impartially and promptly. No individual has been denied access to the Vigil Mechanism or the Audit Committee Chairman.

The Whistle-Blower Policy is available on the Company's website at:

<http://www.spiceislandsapparelslimited.in/>.

26. BUSINESS RESPONSIBILITY REPORT

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates submission of a Business Responsibility & Sustainability Report ("BRSR") only for the top 1,000 listed entities by market capitalization. As the Company does not fall within this threshold for the financial year 2024-25, preparation and submission of a BRSR is not presently applicable.

The Board affirms that, should the provisions become applicable in future, the Company will ensure full compliance within the prescribed timelines.

27. RISK MANAGEMENT

Risk Management is an integral component of the Company's strategic planning and operational execution. The objective is to identify, assess and mitigate events that could adversely affect the achievement of business goals.

- Framework & Oversight – The Board, supported by Senior Management, monitors the risk-management framework, which encompasses clearly defined processes for risk identification, measurement, mitigation and reporting.
- Key Focus Areas – Operational efficiency, market volatility, supply-chain resilience, regulatory compliance, cybersecurity and liquidity management remain core areas of risk evaluation.
- Mitigation Measures – Action plans include robust internal controls, periodic audits, insurance coverage, diversified sourcing, proactive legal and regulatory monitoring and an enhanced IT-security architecture.

The Board reviews the risk landscape at regular intervals and is satisfied that no risk has been identified which threatens the Company's going-concern status or its long-term sustainability.

28. NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

The maintenance of cost records as specified under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 is not applicable to the Company for the financial year 2024-25, as the business activities of the Company are not covered under the prescribed class of companies.

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

All Related Party Transactions entered into by the Company during the financial year 2024-25 were:

- in the ordinary course of business,
- on an arm's length basis, and
- duly reviewed and approved by the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no material Related Party Transactions during the year that would require shareholder approval under Regulation 23(4) of the SEBI Listing Regulations or that may have had a potential conflict with the interests of the Company at large.

Accordingly, the disclosure of particulars of contracts or arrangements with related parties in Form AOC-2, as prescribed under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is not applicable. Further, the disclosures required under the applicable Indian Accounting Standards (Ind AS 24 –

DIRECTOR'S REPORT

Related Party Disclosures) have been provided in Note No. 33 to the Financial Statements forming part of this Annual Report.

The Board also confirms that none of the Directors had any pecuniary relationships or transactions with the Company during the year under review that could potentially conflict with the interests of the Company.

30. PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORKPLACE

The Company has adopted a robust Policy for Prevention of Sexual Harassment of Women at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and the associated Rules. The policy applies to all employees, including permanent, contractual, temporary staff, and trainees.

An Internal Complaints Committee (ICC) has been duly constituted in compliance with Section 4 of the POSH Act, to receive, investigate, and redress complaints in a timely, confidential, and unbiased manner.

For the financial year 2024-25:

- Number of complaints received: Nil
- Number of complaints disposed: Nil
- Number of cases pending beyond 90 days: Nil

All stakeholders are hereby assured that the Company remains fully compliant with its statutory obligations under Rule 14 of the POSH Rules and Rule 8 of the Companies (Accounts) Rules, 2014, including the telecasting of ICC details in the Board's Report.

31. HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company acknowledges that its employees are its most valuable asset and key drivers of sustainable growth. It remains committed to nurturing talent, fostering a performance-oriented culture, and creating a conducive work environment that encourages continuous learning and professional development.

During the year under review, the Company maintained harmonious industrial relations across all locations. The dedication and commitment of the workforce continue to be the cornerstone of the Company's long-term competitiveness and operational excellence.

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

During the financial year under review, the Company has not given any loans, guarantees, or made investments which are in contravention of the provisions of Section 186 of the Companies Act, 2013.

The details of loans, guarantees, and investments, to the extent applicable, are provided in the notes to the standalone financial statements forming part of this Annual Report.

33. EMPLOYEE STOCK OPTION

The Company has not issued any Employee Stock Option Scheme (ESOP) during the financial year 2024-25.

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

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the relevant information relating to conservation of energy, technology absorption, and foreign exchange earnings and outgo is provided in Annexure D, forming part of this Report.

35. CODE OF CONDUCT

Pursuant to Section 149 of the Companies Act, 2013, Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a comprehensive Code of Conduct applicable to all Directors, Senior Management personnel and, to the extent relevant, other employees. The Code articulates the Company's core values—Customer Value, Integrity, One-Team and Excellence—and provides guidance for ethical business practices and legal compliance.

DIRECTOR'S REPORT

The Code is available on the Company's website at

<http://www.spiceislandsapparelslimited.in/>.

Annual affirmations of compliance have been received from all Board and Senior Management members and a certificate to this effect, signed by the Managing Director, forms part of this Report.

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

In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended), the Company has in place a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("Insider Trading Code"). The Code prohibits trading in the Company's securities by designated persons and their immediate relatives while in possession of unpublished price-sensitive information and during specified "Trading-Window" closure periods. It also mandates pre-clearance of trades above prescribed thresholds. Periodic training and awareness sessions are conducted to ensure robust compliance.

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

During the year under review, the Company did not file any application, nor were any proceedings pending, under the Insolvency and Bankruptcy Code, 2016.

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

There was no one-time settlement of loans with banks or financial institutions during the financial year 2024-25; accordingly, the question of any variation between the loan valuation and settlement valuation does not arise.

39. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard 1 (Meetings of the Board of Directors) and Secretarial Standard 2 (General Meetings) issued by the Institute of Company Secretaries of India.

41. GREEN INITIATIVE

In support of the Government's Green Initiative in Corporate Governance and pursuant to:

- MCA General Circular 20/2020 (05 May 2020),
- MCA Circular 11/2022 (28 December 2022), and
- SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 (13 May 2022),

the Company is exempt from printing and dispatching physical copies of its Annual Report.

Accordingly, an electronic copy of the Annual Report for FY 2024-25, together with the Notice of the ensuing AGM, is being e-mailed to:

- all shareholders whose e-mail IDs are registered with their Depository Participant(s) (for shares held in demat form); and
- shareholders who have registered their e-mail IDs with the Company's Registrar & Share Transfer Agent, Cameo Corporate Services Ltd. (for shares held in physical form).

Shareholder Action Points

Shareholding Mode	Required Action
Demat	Ensure your latest e-mail ID is recorded with your Depository Participant.
Physical	Submit the KYC Updation Form, duly signed, to Cameo Corporate Services Ltd. to register / update your e-mail ID.

This digital-first approach furthers our commitment to environmental stewardship and enables faster, more efficient communication with our shareholders.

42. STATEMENT OF DEVIATION OR VARIATION UNDER REGULATION 32 OF SEBI (LODR) REGULATIONS, 2015

DIRECTOR'S REPORT

During the year under review, the Company has not raised any funds through public issue, rights issue, preferential issue or qualified institutions placement which are required to be reported under Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, the Company had earlier raised funds through the issue of convertible warrants on a preferential basis. The utilization of proceeds from such issue is in line with the objects stated in the Notice of the Extra-Ordinary General Meeting convened for that purpose, and there is no deviation or variation in the use of proceeds.

A statement confirming the same is reviewed by the Audit Committee on a quarterly basis, and the Company shall continue to comply with applicable reporting requirements under Regulation 32 of the SEBI (LODR) Regulations, 2015.

43. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors expresses its deep appreciation and gratitude to all the stakeholders of the Company, including the shareholders, regulatory bodies, government authorities, bankers, financial institutions, and business associates, for their continued support, trust, and guidance.

The Board also places on record its sincere appreciation to all the employees of the Company for their dedication, commitment, and valuable contribution at all levels, which has enabled the Company to pursue its growth and business objectives effectively.

By order of the Board of Directors,
For Spice Islands Industries Limited

Sd/-
Faraaz Irfan Chapra
Director
DIN: 07854286

Sd/-
Shikha Sethia Bhura
Director
DIN: 07799537

Place : Mumbai
Date : May 28, 2025

DIRECTOR'S REPORT

ANNEXURE – A

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

This is to certify that in order to comply with Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Paid up capital of the Company Spice Islands Industries Limited is Rs. 430,00,000/- viz. not exceeding Rs. 10 crores and the Net worth is Rs. 2,35,70,000/- viz. less than Rs. 25 Crores as on the last day of the previous financial year i.e. March 31, 2025. Therefore it is not required to submit Corporate Governance Report.

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

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

Place : Mumbai
Date : May 28, 2025

DIRECTOR'S REPORT

ANNEXURE – B

Form No. MR-3

Secretarial Audit Report

for the financial year ended March 31, 2025

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

To,

The Members,

Spice Islands Industries Limited

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

Auditor's Responsibility:

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

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

Modified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. **(Not applicable to the Company during the audit period)**

DIRECTOR'S REPORT

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**

(vi) Other laws applicable specifically to the Company namely:-

- (a) The Factory Act, 1948
- (b) Acts Prescribed under Prevention and Control of pollution
- (c) Acts prescribed under Environment Protection
- (d) Industrial Disputes Act, 1947
- (e) The Payment of Wages Act, 1936
- (f) The Minimum Wages Act, 1948
- (g) Employee State Insurance Act, 1948
- (h) The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- (i) The Payment of Gratuity Act, 1972

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

(b) The Statement of Deviation or Variation in the utilization of funds raised through the Preferential Issue, for the quarter ended December 31, 2024, was filed by the Company on May 05, 2025.

(c) The Company has yet to file following forms/returns required to be submitted with the Registrar of Companies.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-

Sr. No.	Particular of Compliance	Section & Rules	Date of Meeting
1	Form IEPF-1 i.e. Statement of amounts credited to investor education and protection Fund	Pursuant to rule 5(4) of the investor education and protection fund authority (Accounting, Audit, Transfer and Refund) Rules 2016)	Form No. IEPF 1 containing details of transfer to the Authority within a period of 30 days of amounts becoming due to be credited to the Fund
2	Form IEPF-2 i.e. Statement of unclaimed and unpaid amounts.	[Pursuant to rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016]	Form IEPF-2 shall be filed every year within 60 days of the Annual General Meeting (AGM) or the due date of AGM, whichever is earlier.

DIRECTOR'S REPORT

Sr. No.	Particular of Compliance	Section & Rules	Date of Meeting
3	Form IEPF-4 Statement of shares transferred to the Investor Education and Protection Fund	Pursuant to rule 6 (5) of the investor education and protection fund authority (Accounting, Audit, Transfer and Refund) Rules 2016)	Form IEPF-4 to be filed within 30 days containing the details of transfer of shares in respect of which dividend has not been paid or claimed for seven consecutive years or more

Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

- i. Mr. Faraaz Irfan Chapra was appointed as an Additional Director (Executive Director – Finance) with effect from April 10, 2024. His appointment was subsequently regularized by the Members through Postal Ballot on July 06, 2024.
- ii. Mr. Chirag Chandulal Rajapopat was appointed as an Additional Director (Executive Director) with effect from April 10, 2024 and his appointment was likewise regularized by the Members through Postal Ballot on July 06, 2024.
- iii. The Company secured shareholder approval through a Special Resolution passed via Postal Ballot on July/ 6,/ 2024, to amend the Object Clause (Clause III A) of its Memorandum of Association.
- iv. Pursuant to the special resolution passed by shareholders at the AGM held on August/ 19, 2024 and the in principle approval granted by BSE/ Limited on October/ 21, 2024, the Board, at its meeting of the same date, allotted 19,33,324 convertible warrants to investors belonging to the non promoter category at an issue price of Rs. 45 per warrant. Each warrant carries the right to be converted into one equity share of Rs. 10 within the regulatory period of 18/ months from the date of allotment.

In accordance with Chapter/ V of the SEBI (ICDR) Regulations,/ 2018, the Company received 25/ % of the issue price (Rs. 11.25 per warrant) as upfront subscription money before allotment, with the balance payable at the time of conversion. The preferential issue was effected in compliance with Sections/ 42 and/ 62 (1) (c) of the Companies Act/ 2013, the SEBI Listing Regulations, and all applicable disclosure and procedural requirements.

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

Sd/-
Alok Khairwar
Proprietor
FCS 10031
CP 12880
UDIN: F010031G000477729

Place : Mumbai
Date : May 28, 2025

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

DIRECTOR'S REPORT

'Annexure A'

To,
The Members,
Spice Island Industries Limited

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

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

For Alok Khairwar & Associates
Practicing Company Secretaries

Sd/
Alok Khairwar
Proprietor
FCS 10031
CP 12880
UDIN: F010031G000477729

Place : Mumbai

Date : May 28, 2025

DIRECTOR'S REPORT

ANNEXURE – C

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

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

A) Conservation of energy:

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

(B) Technology absorption:

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

(C) Expenditure on R & D:

There is no expenditure incurred on Research and Development

(D) Foreign Exchange Earnings & Out Go

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

By order of the Board of Directors,

For Spice Islands Industries Limited

(Previously known as Spice Islands Apparels Ltd.)

Sd/-

Arti Lalwani

Company Secretary and Compliance Officer

Membership no. A59871

Place : Mumbai

Date : May 28, 2025

DIRECTOR'S REPORT

ANNEXURE – D

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2024-25, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel and Designation	Remuneration of Director / KMP for the financial year 2024-25 (Rs. Lakhs)	Remuneration of Director / KMP for the financial year 2023-24 (Rs. Lakhs)	% increase/ (decrease) in remuneration in the financial year 2024 - 25	Ratio of remuneration of each Director to median remuneration of employees
1	Ms/ Arti/ Lalwani – Company/ Secretary (appointed/ 28/ May/ 2024)	Rs. 2.75	NA	NA	0.66/ :/ 1
2	Mr. Sandeep V Khedekar (CFO) (resigned w.e.f April 10, 2024)	NA	5.32	NA	NA
3	Mr Faraaz I. Chapra (Director & CFO) (appointed w.e.f April 10, 2024)	NA	NA	NA	NA
4	Mr Kalpesh Mistry, Independent Director	0.50	NA	NA	0.12/ :/ 1
5	Ms Sikha Bora, Independent Director	0.88	0.25	+252/ %	0.21/ :/ 1
6	Mr Shivanand Rama Hemmady, Independent Director	0.63	0.25	NA	0.15/ :/ 1
7	Mr Neeraj M. Desai, Independent Director	NA	0.08	–100/ %	NA
8	Mr Milind S. Desai, Independent Director	NA	0.23	–100/ %	NA

- ii. The median remuneration of the employees of the Company during the financial year was – Rs. 4.15 lakhs.
- iii. In the financial year, there was a decrease of 10% in the median remuneration of employees.
- iv. There were 2 permanent employees on the rolls of Company as on March 31, 2025.
- v. The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 was 4%, whereas there is a decrease of 8% in the managerial remuneration for the financial year.
- vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

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

Place : Mumbai
Date : May 28, 2025

DIRECTOR'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members

Spice Islands Industries Limited

Unit 3043-3048, 3rd Fl, Bhandup Industrial Estate

Pannalal Silk Mills Compound, L.B.S. Marg,

Bhandup-W Mumbai 400078

We have examined the relevant registers, records, forms, returns and disclosures received from the Spice Islands Industries Limited having CIN L11045MH1988PLC050197 and having registered office at Unit 3043-3048, 3rd Fl, Bhandup Industrial Estate Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-W Mumbai 400078 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025, have been disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Ms. Shikha Sethia Bhura	07799537	November 08, 2023
2	Mr. Shivanand Rama Hemmady	00838098	November 08, 2023
3	Mr. Sandeep Jamnadas Merchant	05210128	November 08, 2023
4	*Mr. Faraaz Irfan Chapra	07854286	April 10, 2024
5	^ Mr. Chirag Chandulal Rajapopat	10585562	April 10, 2024
6	&Mr. Kalpesh Thakorbbhai Mistry	07599056	July 03, 2024

Note

- *Mr. Faraaz Irfan Chapra was appointed as an Additional Director (Executive Director – Finance) with effect from April 10, 2024. His appointment was subsequently regularized by the Members through Postal Ballot on July 06, 2024.
 - ^ Mr. Chirag Chandulal Rajapopat was appointed as an Additional Director (Executive Director) with effect from April 10, 2024 and his appointment was likewise regularized by the Members through Postal Ballot on July 06, 2024.
 - &Mr. Kalpesh Thakorbbhai Mistry was appointed as an Additional Director (Non-Executive, Independent) with effect from July 03, 2024. His appointment was regularized by the Members at the Annual General Meeting held on August 19, 2024.
 - \$the date of appointment is as per the MCA Portal.
- Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Alok Khairwar & Associates
Practicing Company Secretaries

Sd/-

Alok Khairwar

Proprietor

FCS NO: 10031

CP NO: 12880

P. R. No: 1761/2022

UDIN: F010031G000477731

Place : Mumbai

Date : May 28, 2025

DIRECTOR'S REPORT

DECLARATION OF CODE OF CONDUCT

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

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

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

Place : Mumbai
Date : May 28, 2025

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

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, this is to confirm that all the Members of the Board of Directors and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2025.

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

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

Place : Mumbai
Date : May 28, 2025

DIRECTOR'S REPORT

CERTIFICATE FROM CEO AND CFO

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

This is to certify that, we have reviewed audited financial statements and the cash flow statement for the quarter and year ended March 31, 2025 and that to the best of our knowledge and belief that:

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

By order of the Board of Directors,
For Spice Islands Industries Limited

Sd/-
Faraaz Irfan Chapra
Chief Financial Officer

Sd/-
Dhaval Girish Chheda
Chief Executive Officer

Place : Mumbai
Date : May 28, 2025

INDEPENDENT AUDITORS' REPORT

To the Members of Spice Islands Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Spice Islands Industries Limited (Formerly known as Spice Islands Apparels Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 material accounting policy information and other explanatory information. (hereinafter referred to as the "financial statements")

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2025. 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
<p>1 Revenue Recognition</p> <p>Refer Note 2 of financial statements with respect to the accounting policies followed by the Company for recognizing revenue from sale of goods and Services.</p> <p>The Company recognized revenues amounting to Rs. 77.87 lakhs for the year ended March 31, 2025, as disclosed in Note 23 to the financial statements.</p> <p>Revenue from the sale of goods are recognized when control of the goods has been transferred to the customers and when there are no other unfulfilled obligation. Depending on the contractual terms with the customers, this can be either at the time of dispatch or delivery of goods.</p>	<p>Our audit procedures in respect of this area, among others, included the following:</p> <ol style="list-style-type: none"> 1. We evaluated the Company's accounting policies pertaining to revenue recognition for sale of goods and services and assessed compliance with the policies in terms of Ind AS 115 – Revenue from contracts with customers. 2. We understood the revenue recognition process, evaluated the design and implementation of internal controls relating to revenue recognised. 3. We selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination

INDEPENDENT AUDITORS' REPORT

Key Audit Matters	How our audit addressed the key audit matter
<p>Revenue from Renting / Hire of Electric Vehicle are recognised on satisfaction of performance obligation towards rendering of such services.</p> <p>Revenue for hospitality business in respect of income from sale of rooms, food, beverages, and allied services relating to hotel operations recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain.</p> <p>Revenue Recognition involves significant management judgement in determining the timing of revenue recognition, based on transfer of control, due to the varying terms and conditions with different customers and has accordingly been identified as a Key Audit matter.</p>	<p>of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</p> <p>4. In respect of the selected sample of transactions:</p> <ul style="list-style-type: none"> We obtained the customer contracts, wherever available and applicable and understood the terms and conditions including delivery terms. We tested whether the revenue is recognised upon transfer of control to customer either by delivery or despatch. We tested on a sample basis (including for sales near to the period end) shipping documents/customer acknowledgment, as applicable.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report but does not include the financial statements and our auditor's 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 and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 Accounting Standards 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the Board of Directors 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 skepticism 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 Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements.
 - (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 except for the matters stated in the paragraph 2 (h) (vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

INDEPENDENT AUDITORS' REPORT

- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow 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 specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph 2 (h) (vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (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:
- The Company does not have any pending litigation which would impact its financial position as at 31st March 2025.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.
 - The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025

Amount (₹ in lakhs)	Due date	Date of payment
1.92	March 2021	Not Paid
2.81	March 2022	Not Paid
1.55	March 2023	Not Paid

- (1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to

INDEPENDENT AUDITORS' REPORT

us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The Company has not declared or paid any dividend during the year.
 - vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, however audit trail feature was not enabled during the year in respect of the accounting software (Tally). Further, the audit trail facility has not been operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our examination, we did not come across any instance of the audit trail feature being tampered with in the accounting software.
3. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

For **Giriraj Bang & Company**
Chartered Accountants
ICAI Firm Registration No. 129434W

Sd/-

Vivek Bang
Partner
Membership No. 143938
UDIN:25143938BNFYMR4452

Place : Mumbai
Date : May 28, 2025

INDEPENDENT AUDITORS' REPORT

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SPICE ISLANDS INDUSTRIES LIMITED (FORMERLY KNOWN AS SPICE ISLANDS APPARELS LIMITED) FOR THE YEAR ENDED 31 MARCH 2025

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- I. (a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 B. The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/services/business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, income-tax and cess with the appropriate authorities. However, there has been significant delay in some cases.

Further, no undisputed amounts payable in respect of provident fund, income-tax, goods and service

INDEPENDENT AUDITORS' REPORT

tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute except in following case

Nature of statute	Assessment Year	Amount of Dispute	Forum before which it is disputed
Income tax Act, 1961	2011-12	Rs 53,640	Pending in rectification before AO.

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes except for borrowings amounting to Rs. 70.22 lacs which has been utilised for capex purpose.
- (e) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause (ix)(e) and clause (ix)(f) of the order is not applicable to the Company.
- x. (a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company
- (b) According to the information and explanations given 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, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2025, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act,

INDEPENDENT AUDITORS' REPORT

where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system as required as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Giriraj Bang & Company

Chartered Accountants

ICAI Firm Registration No. 129434W

Sd/-

Vivek Bang

Partner

Membership No.143938

UDIN:25143938BNFYMR4452

Place : Mumbai

Date : May 28, 2025

INDEPENDENT AUDITORS' REPORT

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SPICE ISLANDS INDUSTRIES LIMITED (FORMERLY KNOWN AS SPICE ISLANDS APPARELS LIMITED)

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Spice Islands Industries Limited (Formerly known as Spice Islands Apparels Limited) on the Financial Statements for the year ended March 31, 2025]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Spice Islands Industries Limited (Formerly known as Spice Islands Apparels Limited) ("the Company") as of March 31, 2025 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, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control 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 (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 Act.

Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 was established and maintained and if 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 internal financial controls with reference to financial statements, 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 With reference to Financial Statements

A Company's internal financial control 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 control with reference to financial statements includes 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Giriraj Bang & Company

Chartered Accountants

ICAI Firm Registration No. 129434W

Vivek Bang

Partner

Membership No. 143938

UDIN:25143938BNFYMR4452

Place : Mumbai

Date : May 28, 2025

37th ANNUAL REPORT : 2024-25

Balance Sheet as at 31st March, 2025

Particular	Note	(Rs. in Lacs)	(Rs. in Lacs)
		As at 31 st March 2025	As at 31 st March 2024
ASSETS			
A Non-Current Assets			
a) Property, Plant and Equipment	3	75.53	21.21
b) Financial Assets			
i) Other Financial Assets	4	0.37	0.37
c) Deferred Tax Assets (Net)	5	-	67.42
d) Other Assets	6	230.93	-
(A)		306.83	89.00
B Current assets			
a) Inventories	7	12.86	-
b) Financial Assets			
i) Current Investments	8	0.35	0.40
i) Trade Receivables	9	118.12	10.62
ii) Cash and Cash Equivalents	10	27.81	11.50
iii) Bank Balances Other than (ii) above	11	6.28	6.28
v) Other Financial Assets	12	5.00	-
c) Other Current Assets	13	18.37	1.07
d) Current income tax assets (Net)	14	12.13	8.02
(B)		200.92	37.89
TOTAL (A + B)		507.75	126.89
EQUITY AND LIABILITIES			
A Equity			
a) Equity Share Capital	15	430.00	430.00
b) Other Equity	16	(194.30)	(459.91)
(A)		235.70	(29.91)
Liabilities			
B Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings		-	-
b) Provisions	17	0.86	3.14
c) Deferred Tax Liabilities (Net)	5	0.05	-
(B)		0.91	3.14
C Current liabilities			
a) Financial Liabilities			
i) Borrowings	18	127.74	62.50
ii) Trade Payables	19		
- Amount due to Micro, Small & Medium Enterprises		8.68	-
- Amount Due to Others		3.34	2.45
iii) Other Financial Liabilities	20	96.61	44.54
b) Other Current Liabilities	21	32.64	43.92
c) Provisions	22	2.14	0.25
(C)		271.15	153.66
TOTAL (A+B+C)		507.75	126.89
Significant accounting policies The notes referred to above form an integral part of these financial statements As per our report of even date attached For Giriraj Bang & Company Firm Registration No. 129434W FRN : 133898W		for and on behalf of the board of directors of Spice Islands Industries Limited (Formerly known as Spice Islands Apparels Limited)	
Sd/- Vivek Bang Partner Membership No. : 143938 UDIN:25143938BNFYMR4452 Place : Mumbai Date : May 28, 2025		Sd/- Shikha Bhura Chairman DIN : 07799537	
		Sd/- Sandeep J. Merchant Whole Time director DIN : 05210128	
		Sd/- Faraaz I Chapra CFO & Director DIN : 07854286	
		Sd/- Arti Lalwani Company Secretary & Compliance Officer	
		Place: Mumbai Date : May 28, 2025	
		Place: Mumbai May 28, 2025	

37th ANNUAL REPORT : 2024-25

Statement of Profit and Loss for the year ended 31st March, 2025

Particular	Note	(Rs. in Lacs)	(Rs. in Lacs)
		For the year ended 31 st March 2025	For the year ended 31 st March 2024
A Income			
Revenue from Operations	23	77.87	-
Other Income	24	220.00	132.97
Total income (A)		297.87	132.97
B Expenses			
Purchase of Traded Goods	25	59.57	-
Increase/(Decrease) in inventories of Stock-in-trade	26	(12.86)	
Employee Benefit Expenses	27	17.11	4.26
Finance Costs	28	5.50	6.44
Depreciation and Amortisation Expenses	29	6.20	3.97
Other Expenses	30	110.17	86.44
Total Expenses (B)		185.68	101.11
C Profit Before Tax (A - B)		112.19	31.86
D Tax Expense :			
- Current Tax	31	-	-
- Current Tax Pertaining to Earlier Years		(2.88)	-
- Deferred Tax Charge/ (Credit)		67.34	-
Total Tax Expense		64.46	-
E Profit After Tax		47.73	31.86
F Other Comprehensive Income / (Loss)			
a) (i) Item that will not be reclassified to Profit & Loss			
- Remeasurement of Defined Benefit Plans		0.51	0.72
(ii) Income Tax on Remeasurements of the Defined Benefit Plans (Net)		(0.13)	-
Other Comprehensive Income/ (Loss) (F)		0.38	0.72
G Total Comprehensive Income (E + F)		48.11	32.58
H Earning per Equity share of RS. 10 each Basic and Diluted (in Rs.)	35	1.11	0.74

Significant accounting policies
The notes referred to above form an integral part of these financial statements
As per our report of even date attached
For **Giriraj Bang & Company**
Firm Registration No. 129434W
FRN : 133898W

Sd/-
Vivek Bang
Partner
Membership No. : 143938
UDIN:25143938BNFYMR4452

Place : Mumbai
Date : May 28, 2025

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

Sd/-
Shikha Bhura
Chairman
DIN : 07799537

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

Place : Mumbai
Date : May 28, 2025

Sd/-
Sandeep J. Merchant
Whole Time director
DIN : 05210128

Sd/-
Arti Lalwani
Company Secretary &
Compliance Officer

Place : Mumbai
Date : May 28, 2025

Cash Flow Statements for the Year ended 31st March, 2025

Particular	(Rs. in Lacs) For the year ended 31 st March 2025	(Rs. in Lacs) For the year ended 31 st March 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	112.19	31.86
Adjustments for:		
Interest Paid	5.36	6.42
Interest Received	(0.23)	-
Depreciation and Amortization	6.20	3.97
(Profit)/ Loss on disposal of Property, Plant and Equipment	-	(1.83)
Balances Written Back	(5.96)	(29.01)
Balances Written off	-	7.47
Fair Value of Investments	0.05	(0.24)
Operating Profit / (Loss) Before Working Capital Changes	117.61	18.64
Changes in Working Capital		
(Increase) / Decrease in Trade and Other Receivables	(129.80)	34.00
(Increase) / Decrease in Inventories	(12.86)	-
Increase / (Decrease) in Trade and Other Payables	56.43	(69.10)
	31.38	(16.46)
Adjustment for:		
Direct Taxes Paid	(1.23)	(3.62)
Net Cash Generated/ (Used in) From Operating Activities...(A)	30.15	(20.08)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment & Intangible Assets	(291.45)	-
Sale of Property, Plant and Equipment & Intangible Assets	-	36.94
Interest Income	0.23	-
Net Cash (Used in) / from Investing Activities... (B)	(291.22)	36.94
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment) of Short Term Borrowings (Net)	65.24	-
Issue of Share Warrants	217.50	-
Interest Paid	(5.36)	(6.42)
Net Cash (Used in) / from Financing Activities... (C)	277.38	(6.42)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+C)	16.31	10.44
Cash and Cash Equivalents at Beginning of the Year (Refer Note (ii) below)	11.50	1.06
Cash and Cash Equivalents At End Of The Year	27.81	11.50
Net Increase / (Decrease) in Cash and Cash Equivalents	16.31	10.44

Analysis of movement in borrowings

Particulars	As at 31st March, 2025	As at 31st March, 2024
Borrowings at the beginning of the year	62.50	-
Movement due to cash transactions as per statement of cash flow statement	(65.24)	(62.50)
Movement due to non-cash transactions	-	-
Borrowings at the end of the year	127.74	62.50

Notes:

- Figures in brackets represent cash outflow
- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7, "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Previous year's figures have been regrouped/reclassified wherever applicable.

Significant accounting policies
The notes referred to above form an integral part of these financial statements
As per our report of even date attached
For **Giriraj Bang & Company**
Firm Registration No. 129434W
FRN : 133898W

Sd/-
Vivek Bang
Partner
Membership No. : 143938
UDIN:25143938BNFYMR4452
Place : Mumbai
Date : May 28, 2025

1 to 46

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

Sd/-
Shikha Bhura
Chairman
DIN : 07799537

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

Place : Mumbai
Date : May 28, 2025

Sd/-
Sandeep J. Merchant
Whole Time director
DIN : 05210128

Sd/-
Arti Lalwani
Company Secretary &
Compliance Officer

Place : Mumbai
Date : May 28, 2025

Significant Accounting Policies for the year ended 31st March, 2025

1. General Information

Spice Island Industries Limited ("the Company") is a company incorporated in India under the provisions of Companies Act, 1956 on December, 28 1988. The registered address of the Company is Unit 3043-3048, 3Rd Fl, Bhandup Industrial Estate Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-W, Mumbai-400078, Maharashtra.

The Company is primarily engaged in three businesses i) the trading of branded Packaged Beverages (ii) Hospitality Services and (iii) Renting of EV (two wheelers).

The Financial Statements are approved by the Company's Board of Directors at its meeting held on 28th May, 2025

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

"These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS: -

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Judgement, estimates and assumptions are required in particular for:

i) Impairment of non-financial assets (tangible and intangible)

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Significant Accounting Policies for the year ended 31st March, 2025

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

ii) **Defined benefit obligations**

The cost of the defined benefit gratuity plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India

iii) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted price in active markets since they are unquoted, their value is measured using valuation technique including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iv) **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

v) **Income tax and Deferred Tax**

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

vi) **Provision of Inventories**

Management reviews the inventory listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete slow-moving items and net realisable value. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Significant Accounting Policies for the year ended 31st March, 2025

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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 carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Property, plant and equipment

Buildings	60 Years
Plant and Equipment (EV)	8 Years
Office Equipment	5 Years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

"On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Significant Accounting Policies for the year ended 31st March, 2025

2.5 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.”

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company’s management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.6 Revenue Recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contract Step

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligation

Step 5: Recognise revenue when a performance obligation is satisfied.

The performance obligations arising from sale of products with the Company’s customers are satisfied at a point in time. Payment terms are generally agreed upon individually with customers. Sales of products are recognised when control of the products has transferred based on the agreed term this can be either at the time of dispatch or delivery of goods.

Revenue is net of sales returns and allowances, discounts, volume rebates and any taxes or duties collected on behalf of government such as goods and service tax, etc.

EV Hire Charges are recognised on satisfaction of performance obligation towards rendering of such services.

Hospitality Business: Revenue from rooms, Food and Beverage is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food, beverages, and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain.

Other services: Income from ancillary services is recognised as and when the service is rendered.

Significant Accounting Policies for the year ended 31st March, 2025

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

Interest Income

Interest income is recognised using the effective interest rate (EIR) method

Other Income

Other incomes are accounted on accrual basis

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Significant Accounting Policies for the year ended 31st March, 2025

2.8 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Office Premises and land. 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 for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

All the leases of the Company are short term leases or low value leases. Hence, the Company has availed the exemption provided under IND AS 116. Accordingly, Lease liability and ROU asset is not created in the Financial Statement.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever 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

2.9 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the FIFO Method Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale

The comparison of cost and net realisable value is made on an item-by-item basis.

2.10 Impairment of non-financial assets

"The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit")."

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an

Significant Accounting Policies for the year ended 31st March, 2025

outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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 recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows."

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest

Significant Accounting Policies for the year ended 31st March, 2025

income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Significant Accounting Policies for the year ended 31st March, 2025

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled

Significant Accounting Policies for the year ended 31st March, 2025

wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.15 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

2.16 Statement of Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.17 Earnings Per Share

"Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares."

2.18 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Significant Accounting Policies for the year ended 31st March, 2025

A. Equity Share Capital

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening Balance	430.00	430.00
Closing balance	430.00	430.00

(Refer Note 15)

B. Other Equity

Particulars	Share Warrants	Reserves & surplus			Items of Other Comprehensive Income		Total other equity
	Money Received against Share Warrant	Securities Premium	Retained Earnings	General Reserve	Equity Instruments through OCI	Remeasurement gain/(loss) of defined benefit plan	
Balance as at 1st April, 2024	-	349.14	(928.64)	173.77	(49.85)	(4.33)	(459.91)
Add: Profit for the year ended 31st March 2024	-	-	47.73	-			47.73
Add: Received on account of exercise of Options under the Equity Share Warrants	217.50						217.50
Less: Fair value adjustment of earlier years related to Asset/Investment transferred to retained earning during the year			(49.85)		49.85	-	
Other comprehensive income/ (loss) for the year	-	-	-			0.38	0.38
Balance as at 31st March, 2025	217.50	349.14	(930.76)	173.77	-	(3.95)	(194.30)

Particulars	Share Warrants	Reserves & surplus			Items of Other Comprehensive Income		Total other equity
	Money Received against Share Warrant	Securities Premium	Retained Earnings	General Reserve	Equity Instruments through OCI	Remeasurement gain/(loss) of defined benefit plan	
Balance as at 1st April, 2023	-	349.14	(960.50)	173.77	(49.85)	(5.05)	(492.49)
Profit for the period ended 31st March 2022	-	-	31.86	-			31.86
Other comprehensive income/(loss) for the year	-	-	-			0.72	0.72
Balance as at 31st March, 2024	-	349.14	(928.64)	173.77	(49.85)	(4.33)	(459.91)

(Refer Note 16 for nature and purpose of reserves)

Significant Accounting Policies and Notes Forming Part of the Financial Statements

1 to 46

For Giriraj Bang & Company
Chartered Accountants
Firm Registration No. 129434W

For and on behalf of the Board of Directors of
Spice Islands Industries Limited
(Formerly known as Spice Islands Apparels Limited)

Vivek Bang
Partner
Membership No. : 143938
UDIN:

Sikha Sethia Bura
Chairman
DIN -07799537

Sandeep J. Merchant
Whole Time Director
DIN -05210128

Place : Mumbai
Date : May 28, 2025
UDIN:25143938BNFYMR4452

Faraz Chapra
Director and
Chief Financial Officer

Aarti Lalwani
Company Secretary &
Compliance Officer

Place : Mumbai
Date : May 28, 2025

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Significant Accounting Policies for the year ended 31st March, 2025

Note 3 : Property, Plant and Equipment

(Rs. in Lacs)

Particular	Buildings	Plant and Equipment	Office Equipment	Total
Gross carrying Amount				
Cost as at 1st April, 2024	29.94	-	0.23	30.17
Additions		60.52		60.52
Disposal / Adjustment	-	-	-	-
As at 31st March, 2025	29.94	60.52	0.23	90.68
Accumulated Depreciation				
As at 01st April, 2024	8.91	-	0.05	8.96
Depreciation charge for the year	0.47	5.68	0.04	6.20
Disposal / Adjustment	-			
As at 31st March, 2025	9.38	5.68	0.09	15.15
Net carrying amount	20.55	54.83	0.14	75.53
Gross carrying Amount				
Cost as at 1st April, 2023	29.94	64.84	0.23	95.01
Additions	-	-	-	-
Disposal / Adjustment	-	64.84	-	64.84
As at 31st March, 2024	29.94	-	0.23	30.17
Accumulated Depreciation				
As at 01st April, 2023	7.86	26.85	0.01	34.72
Depreciation charge for the year	1.05	2.88	0.04	3.97
Disposal / Adjustment	-	29.73	-	29.73
As at 31st March, 2024	8.91	-	0.05	8.96
Net carrying amount	21.03	-	0.18	21.21

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Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
	As at 31st March, 2025	As at 31st March, 2024
4 Other Financial Assets - Non-Current (Unsecured, considered good unless otherwise stated)		
Security Deposits	0.37	0.37
Total	0.37	0.37
5 Deferred Tax Assets:		
Deferred Tax Assets/(Liabilities)	As at 31st March, 2025	As at 31st March, 2024
Significant Components of Net Deferred Tax Assets and Liabilities		
Deferred Tax Assets		
Difference in net carrying value of property, plant and equipment, intangible assets as per income tax and books	-	10.93
Provision for Gratuity and other employee benefits	0.75	6.67
Fair Value of Investments	-	1.12
Unexpired Tax Losses	301.45	48.70
Sub-Total (A)	302.20	67.42
Deferred Tax Liabilities		
Difference in net carrying value of property, plant and equipment, intangible assets as per income tax and books	0.80	-
Sub-Total (B)	0.80	-
Deferred tax Assets/(Liability) - Net	301.45	67.42
Less: Deferred Tax Asset not recognised on carried forward losses due to uncertainty	301.45	-
Deferred Tax Assets (A-B)	(0.05)	67.42

5.1 Movement of deferred tax assets and liabilities during the year ended:

	As at 1st April 2024	Recognized in statement and profit and loss	Recognized in other comprehensive income	As at 31st March 2025
(a) Deferred tax asset arising on account of:				
Unexpired Tax Losses	48.70	(48.70)	-	-
Difference in net carrying value of property, plant and equipment, intangible assets as per income tax and books	10.93	(10.93)	-	-
Provision for doubtful debts / Expected Credit loss				
Provision for Gratuity	6.67	(5.79)	0.13	0.75
Fair Value of Investments	1.12	(1.12)	-	
Sub-total (A)	67.42	(66.54)	0.13	0.75
Deferred tax liabilities arising on account of:				
Difference in net carrying value of property, plant and equipment, intangible assets as per income tax and books	-	0.80		0.80
Sub-total (B)	-	0.80	-	0.80
Deferred Tax Assets (Net) (A - B)	67.42	(67.34)	0.13	(0.05)

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Significant Accounting Policies for the year ended 31st March, 2025

	As at 1st April 2023	Recognized in statement and profit and loss	Recognized in other comprehensive income	As at 31st March 2024
(b) Deferred tax asset arising on account of:				
Unexpired Tax Losses	48.70	-	-	48.70
Difference in net carrying value of property, plant and equipment, intangible assets as per income tax and books	10.93	-	-	10.93
Provision for Gratuity	6.67	-	-	6.67
Fair Value of Investments	1.12	-	-	1.12
Sub-total (A)	67.42	-	-	67.42
Deferred tax liabilities arising on account of:				
Sub-total (B)	-	-	-	-
Deferred Tax Assets (Net) (A - B)	67.42	-	-	67.42

6 Other Assets - Non-current

	As at 31st March, 2025	As at 31st March, 2024
Capital Advances	230.93	-
Total	230.93	-

7 Inventories(At Lower of Cost or Net Realizable Value)

	As at 31st March, 2025	As at 31st March, 2024
Stock-in-trade	12.86	-
Total	12.86	-

8 Current Investments (At cost or market value whichever is lower)

	As at 31st March, 2025	As at 31st March, 2024
(i) quoted Equity Shares, Fully Paid up (Fair Value through Profit or loss)		
(a) Investment in Shares		
TRF Limited		
Number of shares [Face value of Rs. 10 each]	100	100
Amount	0.35	0.40
Total	0.35	0.40
Aggregate Amount of Quoted Investments	0.12	0.12
Aggregate Amount of Unquoted Investments	-	-
Market Value of Quoted Investments	0.35	0.40
Aggregate Amount of Impairment in Value of Investments	-	-

9 Trade Receivables

	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
- Considered Good (Including Related Party Receivable)	118.12	10.62
- Significant Increase in Credit Risk	-	-
- Credit Impaired	-	-
Sub-Total	118.12	10.62
Less: Provision for doubtful debts (loss allowance)	-	-
Total	118.12	10.62
The Above Amount includes -		
- Receivables from Related Parties	-	-
- Others	118.12	10.62
Total	118.12	10.62

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Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

(Rs. in Lacs)

9.1 Trade Receivable Ageing:

(a) As at March 31, 2025

Outstanding for following periods from due date of Payment							
Particulars	Not Due	less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
Undisputed trade receivable							
Considered good		118.12					118.12
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivable							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	-	118.12	-	-	-	-	118.12

(b) As at March 31, 2024

Outstanding for following periods from due date of Payment							
Particulars	Not Due	less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
Undisputed trade receivable							
Undisputed trade receivable							
Considered good	-	10.62					10.62
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivable							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	-	10.62	-	-	-	-	10.62

9.2 Movement in the Provision for doubtful debts pertaining to trade receivables are as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the period / year	-	-
Provided/(Reversal) during the period / year	-	-
Balance at the end of the period / year	-	-

10 Cash and Cash Equivalents

	As at 31st March, 2025	As at 31st March, 2024
Cash in Hand	6.92	0.69
Balances with Bank		
- In Current Accounts	20.90	10.81
Total	27.81	11.50

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Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
	As at 31st March, 2025	As at 31st March, 2024
11 Other Bank Balance		
Earmarked Balances with Banks		
Unpaid Dividend Account	6.28	6.28
Total	6.28	6.28
12 Other Financial Assets - Current		
	As at 31st March, 2025	As at 31st March, 2024
Security Deposits	5.00	-
Total	5.00	-
13 Other Assets - Current		
	As at 31st March, 2025	As at 31st March, 2024
Balances with Government Authorities	4.46	1.07
Prepaid Expenses	0.69	-
Advance to Vendors	13.22	-
Total	18.37	1.07
14 Income tax assets (net)		
	As at 31st March, 2025	As at 31st March, 2024
Income tax (net of provisions)	12.13	8.02
Total	12.13	8.02
15 Equity Share Capital		
	As at 31st March, 2025	As at 31st March, 2024
Authorised Share Capital		
Equity Shares		
Face Value	10.00	10.00
No. of shares (Number)	15,000,000	15,000,000
Amount ('Refer Note 15.3)	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid-up Share Capital		
Equity Shares		
Face Value	10.00	10.00
No. of shares (Number)	4,300,000	4,300,000
Amount ('Refer Note 15.3)	430.00	430.00
Total	430.00	430.00

15.1 Terms/ Rights attached to Equity Shares :

- i) The Company has only one class of equity shares having at par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per equivalent fully paid up equity share.
- ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equivalent fully paid up equity shares held by the shareholders.
- iii) The Company declare and pays dividend in Indian Rupees. Each equity share has the same right of dividend.

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Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs) (Rs. in Lacs)

15.2 Reconciliation of the Number of Shares Outstanding is set out below:

(i) Equity shares (Issued, subscribed and paid up)

Particulars	31st March 2025		31st March 2024	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	4,300,000	43,000,000	4,300,000	43,000,000
Number of shares at the end	4,300,000	43,000,000	4,300,000	43,000,000

15.3 Details of Shareholders Holding more than 5 % shares

Particulars	Details	As at 31st March, 2025	As at 31st March, 2024
Fotoset Trading Private Limited	Number of Shares	2,687,390	2,687,390
	Shareholders %	62.50%	62.50%

15.4 Details of Promoter Shareholding in the Company

Particulars	Details	As at 31st March, 2025	As at 31st March, 2024
Fotoset Trading Private Limited	Number of Shares	2,687,390	2,687,390
	Shareholders %	62.50%	62.50%
	% change	0.00%	62.50%

15.5 Shares held by Holding Company

Particulars	Details	As at 31st March, 2025	As at 31st March, 2024
Fotoset Trading Private Limited	Number of Shares	2,687,390	-
	Amount (INR in Lacs)	268.74	-

16 Other Equity

	As at 31st March, 2025	As at 31st March, 2024
Securities Premium Reserve		
Opening Balance	349.14	349.14
Closing Balance	349.14	349.14
General Reserves		
Opening Balance	173.77	173.77
Closing Balance	173.77	173.77
Retained Earnings		
Opening Balance	(928.64)	(960.50)
Add: Profit for the year	47.73	31.86
Add: Fair value adjustment of earlier years related to Asset/Investment transferred to retained earning during the year	(49.85)	-
Closing balance	(930.76)	(928.64)
Other Comprehensive Income		
Opening Balance	(54.18)	(54.90)
Add: Other Comprehensive Income for the year	0.38	0.72
Less: Fair value adjustment of earlier years related to Asset/Investment transferred to retained earning during the year	49.85	-
Closing Balance	(3.95)	(54.18)
Money received against Share warrants (refer note below)		
Balance as at the beginning of the year	-	-
Add: Additions during the year	217.50	-
Less: Warrants converted during the year	-	-
Balance as at the end of the year	217.50	-
Total	(194.30)	(459.91)

Significant Accounting Policies for the year ended 31st March, 2025

16.1 Nature and purpose of reserves

- (a) **Securities Premium Reserve** Securities premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (b) **Retained earnings** Retained earnings represent the accumulated earnings net of losses if any made by the company over the years as reduced by dividends or other distributions paid to the shareholders and includes other comprehensive income
- (c) **Equity instrument through OCI** – The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount to be reclassified to retained earnings on derecognition of equity instrument.

16.2 Money Received Against Share Warrant

On the Basis of the approval of the Shareholders at its Annual General Meeting held on August, 19, 2024, the company has allotted 19,33,324 share warrants at a price of Rs. 45 per warrant including premium of Rs. 35 per warrant on preferential basis on October, 30, 2024. These share warrants will be converted into equity shares in the ratio of 1:1 as per the terms of the offer. The Company has received amount of Rs. 217.50 lakhs as on October 30th, 2024 as 25% of the consideration for share warrants as per the terms of the offer. In the event of warrant holder does not exercise the warrant within 18 months from the date of allotment, the warrants shall lapse and the amount paid shall stand forfeited by the Company. The Warrants and the equity shares allotted pursuant to exercise of such warrant shall be subject to lock-in period as specified under chapter V of Sebi ICDR regulations.

17 Provisions

	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee Benefits		
- Provision for Gratuity (Refer note 36(ii)(a))	0.86	3.14
Total	0.86	3.14

18 Borrowings - Current

	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
- Loan from Related Parties (Refer Note 33)	112.74	-
- Inter Corporate Deposit	15.00	62.50
Total	127.74	62.50

18. 1 Unsecured loan from related parties as on 31st March 2025 outstanding amounting to Rs. 112.74 lakh/- (31st March, 2024: Rs. Nil) carries nil rate of Interest and repayable on demand.
18. 2 Unsecured Inter Corporate Deposit as on 31st March 2025 outstanding amounting to Rs. 15 lakhs/- (31st March, 2024: Rs. 62.50 Lakhs) carries 10% rate of Interest and repayable on demand

19 Trade Payables

	As at 31st March, 2025	As at 31st March, 2024
Due to Micro, Small & Medium Enterprises	8.68	-
Due to Others	3.34	2.45
Total	12.02	2.45

19. 1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

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Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
Particulars	As at 31st March, 2025	As at 31st March, 2024
Dues Remaining Unpaid at the year/period end:		
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year/period	8.68	-
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year/period	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year/period	-	-
(d) Amount of interest due and payable for the year/period	-	-
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year/period	-	-
(f) The amount of further interest due and payable even in the succeeding years/period, until such date when the interest due as above are actually paid	-	-

19.2 Trade payable analysis

(a) As at March 31, 2025

	Outstanding for following periods from due date of Payment					
Particulars	Not Due	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME		8.68		-	-	8.68
Others		3.34				3.34
Disputed dues - MSME						
Disputed dues - Others						
Total	-	12.02	-	-	-	12.02

(b) As at March 31, 2024

	Outstanding for following periods from due date of Payment					
Particulars	Not Due	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-					
Others	-	2.45	-	-	-	2.45
Disputed dues - MSME	-					
Disputed dues - Others	-					
Total	-	2.45	-	-	-	2.45

20 Other Current Financial Liabilities

	As at 31st March, 2025	As at 31st March, 2024
Employee Dues Payable	1.37	-
Other Payables	4.53	3.66
Creditors for Capital Goods	50.03	-
Security Deposit	12.00	12.00
Payable to Directors (Refer Note 33)	22.40	22.57
Unpaid Dividend	6.28	6.31
Total	96.61	44.54

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Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
21 Other Liabilities - Current	As at 31st March, 2025	As at 31st March, 2024
Contract liabilities (Advance from customers)	8.02	34.65
Statutory Dues	24.62	9.27
Total	32.64	43.92
22 Provision	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee Benefits		
- Provision for gratuity (Refer note 36(ii)(a))	2.14	0.25
Total	2.14	0.25
23 Revenue From Operations	As at 31st March, 2025	As at 31st March, 2024
Sale of Products		
- Export Sales	-	-
- Domestic Sales (food and Beverages)	49.69	-
Sale of Services		
- renting/Hire of Electric vehicles (two wheelers)	3.67	-
- Hospitality Services (Income from Hotel)	24.51	-
Total	77.87	-
23. 1 Disclosure Pursuant to Ind AS 115: Revenue from Contract with Customers		
(a) Disaggregation of Revenue	Year ended 31st March, 2025	Year ended 31st March, 2024
Disaggregated Revenue		
(i) Revenue Based on Timing:		
Revenue Recognized at Point in Time	77.87	-
Revenue Recognized Over Time	-	-
Total	77.87	-
(ii) Revenue by geographical market		
Within India	77.87	-
Outside India	-	-
Total	77.87	-
(b) Contract Balances	Year ended 31st March, 2025	Year ended 31st March, 2024
Particulars		
Closing Balance of Contract Liabilities as at year end (Refer note 21)*	8.02	34.65

* The contract liabilities relate to the advance received from customers towards future supply for which revenue is recognised at a point in time.

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Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
(c) Reconciling the Amount of Revenue Recognised in the Statement of Profit and Loss with the contracted price		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue As Per Contract Price	77.87	-
Less: Adjustment	-	-
Net Revenue from Contract with Customers	77.87	-
24 Other Income	Year ended 31st March, 2025	Year ended 31st March, 2024
Consultancy and Management services	152.79	60.13
Referral Fees	49.00	-
Commission Income	-	29.67
Interest Income	0.23	-
Rent Income	12.00	12.00
Miscellaneous Income	0.02	0.09
Profit on Sale of Property, Plant and Equipment	-	1.83
Balances no longer required written back	5.96	29.01
Fair value of investments through Profit and Loss	-	0.24
Total	220.00	132.97
25 Purchase of Traded Goods	Year ended 31st March, 2025	Year ended 31st March, 2024
Purchase of Traded Goods	59.57	-
Total	59.57	-
26 (Increase)/Decrease in Inventories of Stock-in-Trade	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening Balance :		
Stock-in-trade goods	-	-
-	-	-
Closing Balance :		
Stock-in-trade goods	12.86	-
	12.86	-
Total	(12.86)	-
27 Employee benefit Expenses	Year ended 31st March, 2025	Year ended 31st March, 2024
Salary and Bonus	16.86	3.95
Contributions to Provident Funds and others	0.01	0.01
Gratuity Expense	0.12	0.28
Staff Welfare Expenses	0.12	0.02
Total	17.11	4.26
28 Finance Costs	Year ended 31st March, 2025	Year ended 31st March, 2024
Interest Expense	5.36	6.42
Bank Charges	0.14	0.02
Total	5.50	6.44

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Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
29 Depreciation and Amortization Expenses	Year ended 31st March, 2025	Year ended 31st March, 2024
Depreciation on Property, Plant and Equipment	6.20	3.97
Total	6.20	3.97
30 Other expenses	Year ended 31st March, 2025	Year ended 31st March, 2024
Rent	36.06	-
Rates and Taxes	11.76	37.99
Legal and Professional Fees	29.29	24.73
Operating Supplies	6.79	-
Advertisement Expense	1.43	2.14
Repairs And Maintenance		
- Buildings	-	-
- Others	1.34	1.18
Computer Expenses	-	-
Insurance Charges	0.03	0.32
Electricity Expense	4.05	0.67
Travelling and Conveyance	1.42	0.68
Printing and Stationery	0.10	0.15
Communication Expenses	0.35	0.68
Transportation Expense	2.42	-
Auditors Remuneration		
- As auditor (Refer note 45)	4.00	3.00
Fair value of investments through Profit and Loss	0.05	-
Sundry balances written off	1.07	7.47
Society Charges	5.98	5.74
Director Sitting Fees	2.00	0.80
Miscellaneous expenses	2.04	0.89
Total	110.17	86.44
31 Income Tax		
(a) Reconciliation of Income Tax Expense and Accounting Profit multiplied by Domestic Tax Rate Applicable in India:		
Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Profit Before Tax (a)	112.70	32.58
Income Tax Rate as Applicable (b)	26.000%	26.000%
Income Tax Liability/(Asset) as per applicable Tax Rate (a x b)	29.30	8.47
(i) Expenses Disallowed for Tax Purposes	0.92	-
(ii) Short/ (Excess) Provision for earlier years	(2.88)	-
(iii) Income tax Set off for the year due to brought forward losses of PY	(30.35)	(8.47)
(iv) Deferred tax asset recognised erroneously in earlier years reversed in Current Year	18.64	
(v) Deferred tax asset on unexpired losses recognized in earlier years reversed in current year due to uncertainty of realization	48.70	-
Tax Expense Reported in the Statement of Profit and Loss	64.33	-

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Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
(b) Income Tax Recognized in the Statement of Profit and Loss:		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Current Tax		
In Respect of the Current Year	-	-
In Respect of the Earlier Years	(2.88)	-
	(2.88)	-
Deferred Tax		
Deferred Tax Charge/ (Credit)	67.34	-
Deferred Tax Charge/ (Credit)-On Re-measurement of the Defined Benefit Plans	(0.13)	-
	67.21	-
Total Tax Expense Recognized in Current Year	64.33	-

32 Capital Commitments, Other Commitments and Contingent Liabilities

32.1 Capital Commitments:

- (a) Estimated amount of capital commitments to be executed on capital accounts and not provided for is Rs. 137.58 lacs as at 31st March 2025, (31st March, 2024: Rs. NIL lacs) (Net of advances).

32.2 Contingent Liability (to the extent not provided for)

Particulars	As At 31st March, 2025	As At 31st March, 2024
Disputed income tax demands Pending Rectification AY 2011-12	0.54	0.54

Notes:

- (a) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

33 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

33.1 Name and Relationships of Related Parties:

- (a) Holding Company Fotoset Trading Private Limited

- (b) Entities in which Director/ KMP and relatives have significant influence NIL

(Only where there are transactions/ balances)

(c) Key Management Personnel [KMP]:

Sandeep J Merchant (Whole Time Director) wef. 8th November, 2023
 Kalpesh Mistry (Independent Director) wef. 3rd July, 2024
 Sikha Sethia Bura (Director) Wef 8th November, 2023
 Shivanand Hemady (Independent Director) Wef. 8th November, 2023
 Faraz Chapra (Director and CFO) Wef . 10th April, 2024
 Chirag Rajpopat (Director) Wef . 10th April 2024
 Aarti Lalwani (Company Secretary) wef. 28th May, 2024
 Neeraj Madhukar Desai (Director) till 8th November 2023
 Milind Desai (Director) till 8th November 2023
 Umesh M. Katre (Director) till 25th May 2024
 Seema Katre (Director) till 7th November 2023
 Sandip Khedekar (Chief Financial Officer) till 31st March 2024
 Surbhi Pachori (Company Secretary) till 10th April 2024

37th ANNUAL REPORT : 2024-25

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

(Rs. in Lacs)

33.2 Transactions with Related Parties

Nature of Transaction	Name of the Party	Year ended 31st March, 2025	Year ended 31st March, 2024
Loans Taken	Fotoset Trading Pvt Ltd.	211.74	-
	Faraaz Chapra	176.00	-
Loans Taken Repaid	Fotoset Trading Pvt Ltd.	157.00	-
	Faraaz Chapra	118.00	-
Director Sitting Fees	Kalpesh Mistry	0.50	-
	Shikha Bhura	0.88	0.25
	Shivanand Hemady	0.63	-
	Neeraj Madhukar Desai	-	0.08
	Milind Desai	-	0.23
Salary Expense	Aarti Lawani	2.75	-
	Surbhi Pachori	3.00	-
Professional Fees	Sandeep Khedekar	5.32	-

33.3 Related Party Outstanding Balances:

Nature	Name of the Party	As at 31st March, 2025	As at 31st March, 2024
Loan Taken	Fotoset Trading Pvt Ltd.	54.74	-
	Faraaz Chapra	58.00	-
Director Remuneration	Umesh Katre	22.00	22.57
Director Sitting Fee	Kalpesh Mistry	0.13	-
	Shikha Bhura	0.15	-
	Shivanand Hemady	0.13	-

Notes:

- (a) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value.

34 Breakup of Compensation to Key Managerial Personnel

- (a) Compensation to KMP as specified in para 33.1 (c) above:

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Salary and other employee benefits to whole time Directors and KMP's	-	-

35 Earnings Per Share

Calculation of EPS post issue of bonus shares:

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Basic and Diluted Earning Per Share		
Profit Attributable to the Equity Holders of the Company	47.73	31.86
Weighted Average Number of Equity Shares	4,300,000	4,300,000
Face Value Per Equity Share (Rs.)	10.00	10.00
Basic and Diluted Earnings Per Share	1.11	0.74

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

(Rs. in Lacs)

36 Disclosure Relating to Employee Benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for Defined Contribution Plan

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding Company's contributions made during the period/ year:

Particulars

Provident Fund

Year ended
31st March, 2025

0.01

Year ended
31st March, 2024

0.01

(ii) Disclosures for Defined Benefit Plans

(a) Defined Benefit Obligations - Gratuity (Funded)

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded.

Risks Associated with Plan Provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Interest Rate Risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary Inflation Risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic Risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:

Particulars

Discount Rate (per annum)

As at
31st March, 2025

6.54%

Salary Escalation (per annum)

4.00%

Attrition Rate (per annum)

30.00%

As at
31st March, 2024

7.11%

4.00%

50.00%

Mortality Rate

Indian Assured Lives
Mortality 2012-14
(Urban)

Indian Assured Lives
Mortality 2012-14
(Urban)

Changes in the Present Value of Obligations

As at
31st March, 2025

As at
31st March, 2024

Liability at the Beginning of the Year

9.82

9.81

Interest Cost

0.00

0.71

Current Service Cost

0.12

-

Benefits Paid

-

-

Past Service Cost

-

-

Actuarial (Gain)/Loss on Obligations

(0.02)

(0.71)

Liability at the End of the Year

9.92

9.82

37th ANNUAL REPORT : 2024-25

Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
Changes in the Fair Value of Plan Assets	Year ended 31st March, 2024	Year ended 31st March, 2024
Opening Fair Value of Plan Assets	6.43	5.97
Return on Plan Assets	0.49	0.45
Employers Contribution	-	-
Benefits Paid	-	-
Actuarial Gain/(Loss) on Plan Assets	-	-
Closing Fair Value of Plan Assets	6.91	6.43
Table of Recognition of Actuarial Gain / Loss	Year ended 31st March, 2024	Year ended 31st March, 2024
Actuarial (Gain)/ Loss on Obligation for the Year	(0.02)	(0.71)
Actuarial Gain/ (Loss) on Assets for the Year	-	-
Actuarial (Gain)/ Loss Recognized in Statement of Profit and Loss	(0.02)	(0.71)
Breakup of Actuarial (Gain) /Loss:	Year ended 31st March, 2024	Year ended 31st March, 2024
Actuarial Loss/(Gain) arising from Change in Demographic Assumption	0.08	-
Actuarial Loss Arising from Change in Financial Assumption	-	-
Actuarial Loss/(Gain) Arising from Experience	(0.10)	(0.71)
Total	(0.02)	(0.71)
Amount Recognized in the Balance Sheet:	As at 31st March, 2025	As at 31st March, 2024
Liability at the End of the Year	9.92	9.82
Fair value of plan assets at the End of the Year	(6.91)	(6.43)
Amount Recognized in Balance Sheet	3.00	3.39
Expenses Recognized in the Income Statement:	Year ended 31st March, 2025	Year ended 31st March, 2024
Current Service Cost	0.12	-
Interest Cost	0.00	0.28
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Actuarial (Gain)/Loss	(0.51)	(0.72)
Expense/ (Income) Recognized in		
- Statement of Profit and Loss	0.12	0.28
- Other Comprehensive Income	(0.51)	(0.72)
Balance Sheet Reconciliation	As at 31st March, 2025	As at As 31st March, 2024
Opening Net Liability	3.39	3.84
Expense Recognized in Statement of Profit and Loss & OCI	(0.39)	(0.45)
Employers Contribution	-	-
Amount Recognized in Balance Sheet	3.00	3.39
Non Current Portion of Defined Benefit Obligation	0.86	3.14
Current Portion of Defined Benefit Obligation	2.14	0.25

37th ANNUAL REPORT : 2024-25

Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
Sensitivity Analysis of Benefit Obligation (Gratuity)		
Particulars	As at 31st March, 2025	As at As 31st March, 2024
a) Impact of Change in Discount Rate		
Present Value of Obligation at the end of the year		
a) Impact due to Increase of 1%	(0.01)	(0.00)
b) Impact due to Decrease of 1%	0.01	0.00
b) Impact of Change in Salary Growth		
Present Value of Obligation at the end of the year		
a) Impact due to Increase of 1%	0.01	0.00
b) Impact due to Decrease of 1%	-0.01	-0.00
c) Impact of change in withdrawal rate		
Present Value of Obligation at the end of the year		
a) Impact due to Increase of 1%	-0.01	-0.00
b) Impact due to Decrease of 1%	0.01	0.00

Maturity Profile of Defined Benefit Obligation		
Particulars	As at 31st March, 2025	As at 31st March, 2024
Weighted Average duration of the defined benefit obligation	6.00	6.00
Projected Benefit Obligation	3.00	3.39
Accumulated Benefit Obligation	3.00	3.39

Pay-Out Analysis

Particulars	As at 31st March, 2025	As at 31st March, 2024
1st year	9.81	9.81
2nd year	0.00	0.00
3rd year	0.00	0.00
4th year	0.00	0.00
5th year	0.05	0.01
Next 5 year pay-out (6- 10 year)	0.10	0.01
Sum of Years 11 and above	0.01	0.00

37 Leases

(a) Asset Taken Under Operating Lease

- (i) The Company has taken One Hotel in Udaipur on leave and license basis for the period from 22nd July 2024 to 21st June 2025. Also, the Company has taken another Hotel in Gujarat on leave and license basis for the period from 15th January 2025 to 14th December 2025 . Details of rental expense recognized during the year from short term lease is given below:

(ii) Maturity Analysis of Lease Liabilities (on undiscounted basis)	As at 31st March, 2025	As at 31st March, 2024
Less than 1 year	12.04	-
Between 2-5 years	-	-
More than 5 years	-	-

(iii) Particulars	As at 31st March, 2025	As at 31st March, 2024
Rent expense recognized during the year (Low value or short term leases)	36.06	-

38 Disclosures of Corporate Social Responsibility (CSR) expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"

Not Applicable

37th ANNUAL REPORT : 2024-25

Significant Accounting Policies for the year ended 31st March, 2025

39 Financial Ratios

(Rs. in Lacs)

(Rs. in Lacs)

Financial ratios	Methodology	As at 31st March, 2025	As at 31st March, 2024
(a) Current ratio	Current Assets divided by Current Liabilities	0.74	0.25
(b) Debt Equity Ratio	Debt over total shareholders' equity	0.54	(2.09)
(c) Debt Service coverage ratio	Earnings available for debt services divided by Total interest and principal repayments	(17.48)	(14.08)
(d) Return on Equity (%)	PAT over total equity	20.25%	-106.52%
(e) Inventory Turnover ratio	Cost of Goods Sold over average Inventory	7.26	
(f) Trade receivable Turnover ratio	Revenue from operations over average trade receivables	1.21	
(g) Trade payable Turnover ratio	Credit Purchases over average trade payables	-	
(h) Net capital turnover ratio	Revenue from operations over working capital	(1.11)	-
(i) Net profit (%)	Net profit over revenue	61.29%	
(j) EBITDA	EBITDA over revenue	159.09%	
(k) Return on capital employed	EBIT over Capital employed	-50.52%	212.52%

Financial ratios	Methodology	% change from 31 March 2024 to 31 March 2025	% change from 31 March 2023 to 31 March 2024
(a) Current ratio	Current Assets divided by Current Liabilities	200.51%	NA
(b) Debt Equity Ratio	Debt over total shareholders' equity	-125.94%	NA
(c) Debt Service coverage ratio	Earnings available for debt services divided by Total interest and principal repayments	24.13%	NA
(d) Return on Equity (%)	PAT over total equity	-119.01%	NA
(e) Inventory Turnover ratio	Cost of Goods Sold over average Inventory	NA	NA
(f) Trade receivable Turnover ratio	Revenue from operations over average trade receivables	NA	NA
(g) Trade payable Turnover ratio	Credit Purchases over average trade payables	NA	NA
(h) Net capital turnover ratio	Revenue from operations over working capital	NA	NA
(i) Net profit (%)	Net profit over revenue	NA	NA
(j) EBITDA	EBITDA over revenue	NA	NA
(k) Return on capital employed	EBIT over Capital employed	-123.77%	NA

37th ANNUAL REPORT : 2024-25

Significant Accounting Policies for the year ended 31st March, 2025

	(Rs. in Lacs)	(Rs. in Lacs)
Reason for change more than 25%	% change from 31 March 2024 to 31 March 2025	% change from 31 March 2023 to 31 March 2024
(a) Current ratio	Due to increase in Trade Receivables and Inventory offset by increase in borrowings	NA
(b) Debt Equity Ratio	Due to Share Warrant Allotment	NA
(c) Debt Service coverage ratio	Due to increase in Profit	NA
(d) Return on Equity (%)	Due to increase in Profit & allotment of share Warrant	NA
(e) Inventory Turnover ratio	NA	NA
(f) Trade receivable Turnover ratio	NA	NA
(g) Trade payable Turnover ratio	NA	NA
(h) Net capital turnover ratio	NA	NA
(i) Net profit (%)	NA	NA
(j) EBITDA	NA	NA
(k) Return on capital employed	Due to increase in Profit & allotment of share Warrant	NA

Notes:-

EBIT - Earnings before interest and taxes.

EBITDA - Earnings before interest, taxes, depreciation and amortization.

PAT - Profit after taxes

40 Other Notes

- 1) The company has not taken any borrowings from banks.
- 2) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year
- (3) The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (4) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) Provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
- (5) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey).
- (6) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company
- (7) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period;
- (8) The Company has not traded or invested in Crypto currency or Virtual Currency during the year
- (9) The Company does not have outstanding term derivative contracts as at the end of respective years.
- (10) The company have not received funds (which are material either individually or in the aggregate)from any person or entity including foreign entities (Funding parties), with the understanding ,whether recorded or in writing or otherwise, that the company shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (11) There are following amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

Year	Nature of dues	Rs. In Lakhs	Due date	Reason for non Transfer
2013-14	Dividend	1.92	31-03-21	Identification of Shareholders is pending due to lack of information from Bank. The Company is following up with the Bank for the same.
2014-15	Dividend	2.81	31-03-22	
2015-16	Dividend	1.55	31-03-23	

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

41 Segment Reporting

The Company's chief operating decision maker - Board of Directors examines the Company's performance and has identified three reportable segments of its business as follows:

-Renting/Hire of Electric Vehicle (2 wheelers): The company has acquired electric vehicles during the year and earning revenue from customers on right to use basis.

-Food and beverages : The Company is also engaged in the trading of various categories of drinks both carbonated and pulp based including drinking waters.

-Hospitality business: Offers services for loading boardings in form of room rent and restaurant services including banquet services to various customers . To carry out said services, the company has acquired an Hotel at Gujarat on rental basis.

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The nature of the product/services
- (iii) The risk return profile of individual divisions

Revenue and expenses has been accounted on the basis of their relationship to the operating activities of the segment. Income and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Income" and "Unallocable Expenses" respectively. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets/ Liabilities".

No operating segments have been aggregated to form the above reportable operating segments.

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Segment Revenue		
- Income from operations		
a) Renting/Hire of electric Vehicle	3.67	-
b) Food and beverages	49.69	
c) Hospitality business	24.51	
Net Sales/Income	77.87	-
Segment results		
(Profit before Interest and Taxation from each segment)		
- Income from operations	-	
a) Renting/Hire of electric Vehicle	(5.68)	
b) Food and beverages	(12.66)	
c) Hospitality business	(25.61)	-
	(43.95)	-
Less: Finance costs	(5.50)	(6.44)
Less: Other un-allocable expenditure net of un-allocable income	161.64	38.30
Profit before tax	112.19	31.86

Other Information

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Segment Depreciation and Amortisation		
a) Renting/Hire of electric Vehicle	5.68	
b) Food and beverages	-	-
c) Hospitality business	-	
d) Un-allocable Depreciation / Amortisation	0.52	
Total	6.20	-

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

Segment revenue by location of customers:

a) Domestic	77.87	-
b) Overseas	-	-
Total	77.87	-

Cost incurred on acquisition of Capital items (including capital advances):

a) Domestic	291.45	-
b) Overseas	-	-
Total	291.45	-

The carrying amount of non-current operating assets by location of assets

a) Domestic	306.83	21.58
b) Overseas	-	-
Total	306.83	21.58

Note: All Debtors outstanding pertains to Domestic Debtors

Particulars**Year ended
31 March 2025****Year ended
31 March 2024****Assets**

a) Renting/Hire of electric Vehicle	59.17	-
b) Food and beverages	30.79	-
c) Hospitality business	19.85	-
d) Unallocable assets	397.94	126.89
Total	507.75	126.89

Liabilities

a) Renting/Hire of electric Vehicle	50.03	-
b) Food and beverages	11.83	-
c) Hospitality business	2.17	-
d) Unallocable liabilities	208.03	156.80
Total	272.06	156.80

Capital expenditure (including capital advances)**Total cost incurred during the year to acquire segment assets**

a) Renting/Hire of electric Vehicle	60.52	-
b) Food and beverages	151.00	-
c) Hospitality business	-	-
d) Un-allocable capital expenditure	79.93	-
Total	291.45	-

Revenue of Customers whose revenue is more than 10% of total revenue.**Particulars****Year ended
31 March 2025****Year ended
31 March 2024**

Dhanik Food and beverages Private Limited	24.98	-
	24.98	-

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

42 Financial Instruments - Accounting classifications & fair value measurement

(a) Financial Asset and Liabilities (Non-Current and Current)

Sr. No.	Particulars	31st March, 2025		31st March, 2024	
		Amortized Cost	Fair value through profit and loss	Amortized Cost	Fair value through profit and loss
A	Financial Assets				
(i)	Other Financial Asset - Non-Current	0.37	-	0.37	-
(ii)	Investments - Current		0.35		0.40
(iii)	Trade Receivables (Net)	118.12	-	10.62	-
(iv)	Cash and Cash Equivalents	27.81	-	11.50	-
(v)	Other Bank Balances	6.28	-	6.28	-
(vii)	Other Financial Asset - Current	5.00	-	-	-
	Total Financial Assets	157.58	0.35	28.77	0.40
B	Financial liabilities				
(ii)	Borrowings - Current	127.74	-	62.50	-
(iii)	Trade Payables	12.02	-	2.45	-
(iv)	Other Financial Liabilities - current	96.61	-	44.54	-
	Total Financial Liabilities	236.37	-	109.49	-

Note:

- (i) All financial assets and financial liabilities are measured at amortized cost except Investment which is valued at Fair value through profit or loss
- (ii) All Current assets are expected to be recovered within twelve months from the reporting date

(b) Fair Valuation Techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade Receivables (Net), Cash and Cash Equivalents, Other Bank Balances, Loans, Other Financial Asset - Current, Borrowings - Current, Trade Payables and Other Financial Liabilities - current approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting year.

(c) Fair Value Hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There are no Financial assets and liabilities measured at fair value through profit or loss at each reporting date. Hence, further classification of financial assets into Level 1, Level 2 and Level 3 is not given except Current Investments which is valued at Fair Value through profit or loss. Current Investment is classified into Level 1.

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

43 Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risk 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 regularly to reflect changes in market conditions and the Company's activities. The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk
- Interest rate risk

(a) Credit Risk :

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivable

Customer credit risk is managed by the business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables. For receivables, as a practical expedient, the Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 42(a). The Company does not hold collateral as security.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counter party credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

(b) Liquidity Risk :

Liquidity risk 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 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 Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

(i) Maturities of Financial Liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 Year	Above 5 Years	Total
As at 31st March 2025				
Borrowings	127.74	-	-	127.74
Trade Payables	12.02	-	-	12.02
Other Financial Liabilities	96.61	-	-	96.61
As at 31st March 2024				
Borrowings	62.50	-	-	62.50
Trade Payables	2.45	-	-	2.45
Other Financial Liabilities	44.54	-	-	44.54

(c) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, its exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in revenues and costs.

(l) 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. 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.

Exposure to Interest Rate Risk

Particulars	As at 31st March, 2025	As at 31st March, 2024
Fixed Rate Instruments		
- Borrowings	15.00	62.50
Floating Rate Instruments		
- Borrowings	-	-
Total	15.00	62.50

Fair Value Sensitivity Analysis for Fixed-Rate Instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair Value Sensitivity Analysis for Floating-Rate Instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, is as follows:

Effect	Increase/ (decrease) in basis points	Effect on profit before tax	
		As at 31st March, 2025	As at 31st March, 2024
INR - Increase	25.00	-	-
INR - Decrease	(25.00)	-	-

Significant Accounting Policies for the year ended 31st March, 2025

(Rs. in Lacs)

(ii) Foreign Currency Exposure

The Company does not have outstanding balances denominated in foreign currencies; consequently, exposures to exchange rate fluctuations will not arise.

(iii) Commodity Risk

The Company is not materially exposed to commodity price risk. The Company also does not carry out any commodity hedging activities.

44 Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Company monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total Debt*	127.74	62.50
Total Capital (Total Equity Shareholder's Fund)	235.70	(29.91)
Net Debt to Equity Ratio	0.54	(2.09)

* Total debt = Non-current borrowings + current borrowings

45 Auditor's Remuneration (Excluding GST)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statutory Audit Fee	4.00	3.00
Total	4.00	3.00

46 Previous years figures have been regrouped wherever necessary.

As per our report of even date attached

For Giriraj Bang & Company
Chartered Accountants
Firm Registration No. 129434W

For and on behalf of the Board of Directors of
Spice Islands Industries Limited
(Formerly known as Spice Islands Apparels Limited)

Vivek Bang
Partner
Membership No. : 143938
UDIN:25143938BNFYMR4452

Sikha Sethia Bura
Chairman
DIN -07799537

Sandeep J. Merchant
Whole Time Director
DIN -05210128

Sd/-
Faraz Chapra
Director and Chief Financial Officer
DIN -07854286

Sd/-
Aarti Lalwani
Company Secretary &
Compliance Officer

Place : Mumbai
Date : May 28, 2025

Place : Mumbai
Date : May 28, 2025

NOTES

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[illegible]

SPICE ISLANDS INDUSTRIES LIMITED

(PREVIOUSLY KNOWN AS SPICE ISLANDS APPARELS LTD.)

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