

SPICE ISLANDS APPARELS LTD.





Map and Directions of the Venue





Index

1)	Board of Directors	2
2)	Notice of Annual General Meeting	3-13
3)	Director's Report	14-36
4)	Independent Auditor's Report on Financial Statements	37-43
5)	Balance Sheet	44
6)	Statement of Profit and Loss	45
7)	Cash flow Statement	46-47
8)	Significant Accounting Policies / Notes to Financial Statements	48-71

TWENTY	NINETH	ANNUAL	GENERAL MEET	ING
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- Day : Tuesday
- Date : 26th September, 2017
- Time : 10.30 am
- Venue : M.C. Ghia Hall Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, (Behind Prince of Wales Museum), Kala Ghoda, Mumbai - 400 001

Board of Director



BOARD OF DIRECTORS Chairman & Managing Director UMESH KATRE Whole-time Director SEEMA KATRE Director ASHOK DARYANANI CARL DANTAS CHARUCHANDRA PATANKAR RAHUL MEHTA RADHAKRISHNAN NAIR (Additional Director)

Chief Financial Officer

ROHAN KATRE

Company Secretary

PRAVIN KOKAM

Bankers

VIJAYA BANK

Auditors

M/s. T D JAIN & D I SAKARIA (Chartered Accountants)

REGISTERED OFFICE

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

CORPORATE OFFICE

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

FACTORY

S. F. No. 287, Kuthampalayam, Thirumurgan Poondi (P. O.), P. N. Road, Tirupur - 641 652. Tel.: 0421-2350492/3 C/o. Vinayak International 1349, 5th Cross, Muninagappa Layout, Kavalbyrasandra, R. T. Nagar Post, Bangalore – 560 032 Tel. : 080-23652872 Unit 43-48, Bhandup Industrial Estate, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400 078. Tel.: 61992900

FOR LODGING INVESTOR GRIEVANCES:

grievance_redressal@spiceislandsindia.com

REGISTRAR & SHARE TRANSFER AGENT LINK INTIME INDIA PRIVATE LIMITED

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

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

E-mail : mumbai@linkintime.co.in

Website : www.linktime.co.in



Notice of Annual General Meeting

SPICE ISLANDS APPARELS LIMITED

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

Notice of Annual General Meeting.

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of SPICE ISLANDS APPARELS LIMITED will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, (Behind Prince of Wales Museum), Kala Ghoda, Mumbai - 400 001 on Tuesday, 26th day of September, 2017 at 10.30 a.m. to transact the following business:

Ordinary Business.

- 1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon.
- 2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, that M/s. Bharath & Co., Chartered Accountants (Registration No.016963S) be and are hereby appointed as Auditors of the Company (in place of M/s. T D JAIN & D I SAKARIA, Chartered Accountants, the retiring Auditors) for a period of five years, commencing from the Company's financial year ending March 31st, 2018 to hold office from the conclusion of the 29th Annual General Meeting of the Company till the conclusion of the 34th Annual General Meeting (subject to ratification of their appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration as shall be fixed by the Board of Directors of the Company."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

3. To appoint Mr. Radhakrishnan Nair (DIN : 00777231) as Director liable to retirement by rotation and in this regard to consider and if, thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**-

"RESOLVED pursuant to Sections 160 & 161 of the Companies Act, 2013 and any other applicable provisions if any, Mr. Radhakrishnan Nair, who was appointed as an Additional Director by the Board of Director on November 08, 2016 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable to retire by rotation in terms of 152(6)(a) of the Companies Act, 2013.".

"**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To appoint Mr. Radhakrishnan Nair (DIN : 00777231) as Executive Director and in this regard 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 Sections 196, 197, 198 and 203 read together with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), the appointment of Mr. Radhakrishnan Nair (DIN : 00777231) as Whole-time Director, designated as 'Executive Director' of the Company for a period of three years i.e. from November 8, 2016 to November 7, 2019 be and is hereby approved on the terms and remuneration as set out in the Agreement between the Company and Mr. Radhakrishnan Nair AND THAT the remuneration payable to the Executive Director may or may not exceed five percent of the Net Profits of the Company but shall in no case exceed ten percent of the Net Profits of the Company to all Executive Directors taken together, if applicable;

RESOLVED FURTHER THAT the terms and conditions of remuneration as set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits in any financial year or years, the remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as

Notice of Annual General Meeting



minimum remuneration to the Executive Director for the aforesaid period subject to the requisite approval of the Central Government, if required;

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Committee of Directors) be and is hereby authorized to approve the remuneration of Mr. Radhakrishnan Nair as Executive Director within the overall limits under the Act and to take such steps as may be necessary for obtaining necessary approvals (statutory, contractual or otherwise), in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

5. To re-appoint Mrs. Seema U. Katre as Whole Time Director and in this regard 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 Sections 196, 197, 198 and 203 read together with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), the re-appointment of Mrs. Seema U. Katre as Whole-time Director of the Company for a period of three years i.e. from November 12, 2016 to November 11, 2019 be and is hereby approved on the terms and remuneration as set out in the Agreement between the Company and Mrs. Seema U. Katre AND THAT the remuneration payable to the Whole-time Director may or may not exceed five percent of the Net Profits of the Company but shall in no case exceed ten percent of the Net Profits of the Company to all Executive Directors taken together, if applicable;

RESOLVED FURTHER THAT the terms and conditions of remuneration as set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits in any financial year or years, the remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Whole-time Director for the aforesaid period subject to the requisite approval of the Central Government, if required;

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Committee of Directors) be and is hereby authorized to approve the remuneration of Mrs. Seema Katre as Whole-time Director within the overall limits under the Act and to take such steps as may be necessary for obtaining necessary approvals (statutory, contractual or otherwise), in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

6. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution :**

"RESOLVED pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of Rs. 50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode."

"FURTHER RESOLVED THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document."

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

For and on behalf of the Board of Directors, SPICE ISLANDS APPARELS LIMITED

PLACE : MUMBAI DATE : 29th May, 2017 UMESH M. KATRE (Chairman & Managing Director)



1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies and trusts must be supported by appropriate resolution/authorization, as applicable.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3. A Statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names is entitled to vote.
- 6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the corporate office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- 7. The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, 20th September, 2017 to Tuesday, 26th September, 2017 (both days inclusive).
- 8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Link Intime.
- 9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- 10. Members who hold shares in Physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime (Registrar and Share Transfer Agent) for consolidation into a single folio.
- 11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- 12. Voting through Electronic means:
 - (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting")
 - (ii) The Members 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 of September 19, 2017 shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the notice who has no voting rights as on the cut off date shall treat this notice as intimation only.
 - (iii) A person who has acquired the shares and became member of the Company after the dispatch of the notice of the annual general meeting and prior to the cut off date i.e. September 19, 2017, shall be entitled to exercise his votes either electronically i.e. remote e-voting or through the poll paper at the AGM by following the procedure mentioned in this part.
 - (iv) The remote e-voting will commence on Saturday, September 23, 2017 at 10.00 a.m. and will end on Monday,



September 25, 2017 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the cut off date i.e. September 19, 2017 may cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

- (v) Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.
- (vi) The facility for voting through Poll Paper would be made available at the AGM and the Members attending the Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Meeting through Polling Paper. The Members who have already cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- (vii) The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off date of September 19, 2017.
- (viii) The Company has appointed Mr. Umesh Maskeri, Practicing Company Secretary (FCS No 4831 COP NO 12704), to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through poll paper at the AGM in a fair and transparent manner.

(ix) The instructions for shareholders voting electronically are as under:

- a. The voting period begins on Saturday, September 23, 2017 at 10.00 am and ends on Monday, September 25, 2017 at 5.00 pm. 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 September 19, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c. The shareholders should log on to the e-voting website www.evotingindia.com.
- d. Click on Shareholders.
- e. Now Enter your User ID
- i. For CDSL: 16 digits beneficiary ID,
- ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f. Next enter the Image Verification as displayed and Click on Login.
- g. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- h. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
PAN	 Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	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.
OR Date of Birth (DOB)	 If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction [ix(e)].



- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- I. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- m. 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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. 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.
- s. Note for Non Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <u>www.evotingindia.com</u> and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to <u>helpdesk.evoting@cdslindia.com</u>.
- 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 emailed to <u>helpdesk.evoting@cdslindia.com</u> and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- t. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <u>www.evotingindia.com</u>, under help section or write an email to <u>helpdesk.evoting@cdslindia.com</u>.
- (x) The Chairman shall, at the AGM, at the end of the discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the Scrutinizer, by use of Poll Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (xi) The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall not later than three days of conclusion of the meeting, issue a consolidated Scrutinizers Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing the voting forthwith.



- (xii) The Results declared, alongwith the Scrutnizer's Report, will be posted immediately, after the declaration of the same by the Chairman on the Company's website <u>www.spiceislandapperallimited.in</u> and also on the website of <u>CDSL www.evotingindia.com</u>
- (xiii) In case you have any queries or issues regarding remote e-voting, please contact <u>helpdesk.evoting@cdslindia.com</u> or Tel. No. 022-61992900 or <u>pravinkokam@gmail.com</u>
- (xiv) In case of any query or grievance relating to e-voting, members may contact Mr. Pravin Kokam, Company Secretary at the Registered Office of the Company at Telephone No 022-61992900 or by email to <u>pravinkokam@gmail.com</u>.

REQUEST TO THE MEMBERS

- 1. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
- 2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
- 3. Members who hold shares in demat mode are requested to bring their Client ID and DP ID numbers for easy identification of membership at the Meeting.
- 4. For the convenience of Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to fill in and affix their signatures at the space provided therein and hand over the Attendance Slip at the entrance of the place of the Meeting. Proxy / Representative of a Member should mark on the Attendance Slip as "Proxy" or "Representative", as the case may be.

For and on behalf of the Board of Directors, SPICE ISLANDS APPARELS LIMITED

PLACE : MUMBAI DATE : 29th May, 2017 UMESH M. KATRE (Chairman & Managing Director)



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013. **ITEM No.3** Name Mr. Radhakrishnan G. Nair 1. Date of Birth 11.12.1949 2. 3. 67 Age Profession Service 4. 5. Qualification Intermediate Arts As mentioned in item no. 4 of the explanatory 6.1 Terms and conditions of re-appointment and details 6. of remuneration sought to be paid statement. 6.2 Remuneration Last drawn Rs. 13.53 Lacs Mr. Nair has experience of four decades. He has 7. Experience experience in various fields. He had handled task as · Godown incharge and packing incharge at Mafatlal Apparel Manufacturing Company Limited • Supervising production and merchandising at Mafatlal Apparel Manufacturing Company Limited Factory Manager at Spice Islands Apparels Ltd General Manager at Spice Islands Apparels Ltd Shareholding of the Director 8. Nil 9. Relationship with other Directors, Manager and other Not Applicable Key Managerial Personnel of the Company 10 Date of first appointment on the Board 8th November, 2016 11. List of Directorship and other Directorship and membership/Chairmanship of committees of other Boards **Board Meeting attended** Whether attended last Other Directorships/ Board Committees during the year AGM (Numbers) Directorships in other 2 **Board Committee** No Companies Membership/ (Chairmanship) Nil Nil

ITEM NO 4:

The Board of Directors at their meeting held on November 8, 2016 appointed Mr. Radhakrishnan Nair as an Additional Director. In the said meeting the Board also appointed Mr. Radhakrishnan Nair as an executive Director for a period of three years i.e. November 8, 2016 to November 7, 2019 on terms and conditions and remuneration as recommended by Nomination and Remuneration Committee. It may be noted that the proposed remuneration of Mr. Radhakrishnan Nair is within the limits provided in Schedule V of the Companies Act, 2013.

In compliance with the requirement, as laid down in Schedule V of the Companies Act, 2013, some of the information required under this clause are given herein below:

A. TENURE OF APPOINTMENT:

The appointment of Mr. Radhakrishnan as an executive director is for a period of three years w.e.f. 8th November, 2016.



B. NATURE OF DUTIES: The Executive director shall devote his whole time and attention to the business of the company and is particularly assigned the function of factory operations such as production, factory maintenance, labor, merchandising, communication with buyers regarding purchase orders, grievances, shipment and any other related functions. He shall carry out such duties as may be assigned to him by the Board and exercise such powers as may be required to fulfill such duties, subject to supervision, control and directions of the Board. **C: REMUNERATION:** 1. Basic Salary: Rs.46,600/- per month with authority to the board (which expression shall include a committee thereof) to revise his salary from time to time. The annual increment will be merit based and take into account the Company's performance. 2. Perquisites and Other Allowances as under:a House Rent Allowance : Rs. 13,980/- Per month Leave Travel Allowance : The yearly payment in the form of allowance shall be b equivalent to one month's salary (basic). c Bonus : Yearly payment, subject to minimum of one month basic salary. : Rs. 29,770 is given as ex-gratia / special allowance and it d Ex-gratia may increased by the approval of the Board but subject to overall ceiling of gross salary. : Rs. 19,200/- per annum e Conveyance Allowance Medical reimbursement f : Reimbursement upto a limit of Rs. 15,000 a year. g Contribution to Provident Fund and Superannuation / Annuity Fund will be as per Scheme of the Company. h Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company. i Encashment of unavailed leaves at the end of the tenure or at specified intervals will be as per Scheme of the Company. Provision of car with driver for use in relation to Company's business and telephone at residence will not be j considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director. The perquisite and allowance shall be evaluated as per Income Tax Rule, wherever applicable and in the absence of any such Rule, perquisite allowances shall be evaluated at actual cost from time to time.

C. INCREASE / MAXIMUM REMUNERATION:

The Board of Directors shall review Mr. Radhakrishnan Nair's performance and may give suitable increase, subject to the condition that the gross remuneration shall not exceed Rs. 3,50,000 per month or Rs. 42,00,000 a year. The Board shall also decide actual break up of monthly / yearly remuneration.

D. MINIMUM REMUNERATION:

Not withstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of Mr. Radhakrishnan G. Nair, the Company has no profit or its profits are inadequate, the Company will pay remuneration by the way of salary and perquisites and allowances as specified by the provisions Schedule V.

E. LEAVE:

In accordance with the Rules and Regulation of the Company.

G. SITTING FEES:

Mr. Radhakrishnan G. Nair shall not be entitled to sitting fees for attending meeting of the Board of Director or Committees thereof. The tenure of employment of Mr. Radhakrishnan G. Nair as Executive Director of the Company is terminable by either side with a notice period of three months or payment of basic salary in lieu thereof.



ITEM NO 5:

The Board of Directors at their meeting held on November 8, 2016 re-appointed Mrs. Seema U. Katre as a Whole Time Director of the Company for a period of three years i.e. November 12, 2016 to November 11, 2019 on terms and conditions and remuneration as recommended by Nomination and Remuneration Committee. It may be noted that the proposed remuneration of Mrs. Seema U. Katre is within the limits provided in Schedule V of the Companies Act, 2013.

1.	Name		Mrs. Seema U.	Katre		
2.	Date of Birth 23.03.1					
3.	Age		58	58		
4.	Profession		Business			
5.	Qualification		B.com			
6.	6.1 Terms and conditions of re-appointment and de remuneration sought t	etails of	As mentioned I	below.		
	6.2 Remuneration Last dra	iwn	Rs. 14.15 Lacs			
7.	Experience		Mrs. Seema Katre has experience of over 20 years in administration and her handling of back office work and co-ordination amongst various functional heads. She has given valuable contribution by improving efficiency at all level. Her contribution for cost control and result oriented administration has improved organizational set-up. This helps in compliance of various statutory laws and guidance available to staff on real time basis.			
8.	Shareholding of the Director		4,07,400 Equit	y Share of Rs. 10/- each.		
9.	Relationship with other Direc Manager and other Key Mana Personnel of the Company			Imesh Katre (Managing Director), r. Rohan Katre (Chief Financial Officer)		
10.	Date of first appointment on	the Board	12th Novembe	r, 2010		
11.	List of Directorship and other	Directorsh	ip and members	hip/Chairmanship of comn	nittees of other Boards	
	Board Meeting attended during the year		er attended st AGM		s/ Board Committees nbers)	
	5		Yes	Directorships in other Companies	Board Committee Membership/ (Chairmanship)	
				One (Bhupco Alloys Ltd)	One (Bhupco Alloys Ltd)	

In compliance with the requirement, as laid down in Schedule V of the Companies Act, 2013, some of the information required under this clause are given herein below:

A. TENURE OF APPOINTMENT:

The appointment of WTD is for a period of three years w.e.f. 12th November, 2016.

B. NATURE OF DUTIES:

The WTD shall devote her Whole Time and attention to the business of the Company and carry out back office work and ensure consistency in administration and implementation of major work ideas. She is assigned the task of co-ordination among various functional heads and ensure execution and smooth functioning of work flow. She shall carry out such duties as may be assigned to her by the Board and exercise such powers as may be required to fulfill such duties, subject to supervision, control and directions of the Board.



C: REMUNERATION:

- 1. Basic Salary: Rs.50,000/- per month with authority to the board (which expression shall include a committee thereof) to revise her salary from time to time. The annual increment will be merit based and take into account the Company's performance.
- 2. Perquisites and Allowances as under:-

а	Leave Travel Allowance	:	The yearly payment in the form of allowance shall be equivalent to one month's salary (basic)
b	Bonus	:	Yearly payment, subject to minimum of one month basic salary.
С	Ex-gratia	:	The yearly payment shall not exceed Rs. 3,00,000/- per financial year.
d	Gas/Electricity/ Maintenance		
	Allowance	:	Rs. 1,20,000/- per annum
е	Magazine/Book Allowance	:	Rs.48,500/- per annum
f	Medical reimbursement	:	Reimbursement of actual medical expenses, including medicine/ personal accident insurance premium up to a limit of one basic salary.

- g Contribution to Provident Fund and Superannuation / Annuity Fund will be as per Scheme of the Company.
- h Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.
- i Encashment of unavailed leaves at the end of the tenure or at specified intervals will be as per Scheme of the Company.
- j Provision of car with driver for use in relation to Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.

The perquisite and allowance shall be evaluated as per Income Tax Rule, wherever applicable and in the absence of any such Rule, perquisite allowances shall be evaluated at actual cost from time to time.

D. INCREASE / MAXIMUM REMUNERATION

The Board of Directors shall review Mrs. Seema Katre's performance and may give suitable increase, subject to the condition that the gross remuneration shall not exceed Rs. 2,20,000 per month or Rs. 26,40,000 a year. The Board shall also decide actual break up of monthly / yearly remuneration.

Minimum Remuneration : Not withstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of Mrs. Seema U. Katre, the company has no profit or its profits are inadequate, the Company will pay remuneration by the way of salary and perquisites and allowances as specified by the provisions of Schedule V.

Leave : In accordance with the Rules and Regulation of the company.

Sitting Fees : Mrs. Seema U. Katre shall not be entitled to sitting fees for attending meeting of the Board of Director or Committees thereof.

The tenure of employment of Mrs. Seema U. Katre as Whole Time Director of the Company is terminable by either side with a notice period of three months or payment of basic salary in lieu thereof.

Mrs. Seema U. Katre is concerned or interested in the resolution as set out in the Notice at Item No. 5 since it pertains to her appointment. Mr. Umesh Katre (Chairman & Managing Director) and Mr. Rohan Katre (Chief Financial Officer) are also deemed to be interested in aforesaid resolution, to the extent of their respective shareholding interest, held in the Company.



Save and except the above, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in this item of business, except to the extent of their respective shareholding interest, if any, held in the Company.

ITEM NO 6:

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly commend the Ordinary Resolution at item no. 6 of the accompanying notice, for the approval of the members of the Company. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.6 of the accompanying notice.

For and on behalf of the Board of Directors, SPICE ISLANDS APPARELS LIMITED

PLACE : MUMBAI DATE : 29th May, 2017 UMESH M. KATRE (Chairman & Managing Director)



To,

The Members,

Your Directors have pleasure in presenting their Twenty Ninth Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2017.

1. FINANCIAL RESULTS AND OPERATIONS:

The Company's financial performance, for the financial year ended March 31, 2017 is summarised as below;

Particulars	STANDALONE 2016-17 Rs (in lacs)	STANDALONE 2015-16 Rs (in lacs)
Revenue from operations(net) and other income	1874.33	2375.86
Profit / (Loss) Before Tax	(151.39)	32.41
Provision for tax (Deferred Tax / Previous Year tax adjustment)	11.10	4.60
Profit / (Loss) After Tax	(162.49)	27.80
Balance brought forward from previous year	353.94	366.18
Profit available for appropriations	191.43	393.98
Appropriation		
Proposed Equity Dividend	0	32.25
Tax on Proposed Equity Dividend	0	6.80
General Reserve	0	1.00
Surplus Carried to next year's account	191.43	353.94

During the year under review the revenue from operations and other income declined from Rs. 2375.86 lacs to Rs. 1874.33 lacs, a fall of about 21%, which is substantial in our sector. This was purely on account of two major markets of your company suffering setbacks i.e. UK because of the Brexit decision and the Gulf Cooperation Council (GCC) Middle East due to poor market conditions especially Saudi Arabia which accounts for 50% business in this area. Decision of UK to withdraw from the European Union (EU) severely affected the contracts on hand to the extent of 15 - 20% due to devaluation of the British pound. Furthermore as their currency weakened, making imports expensive for them and due uncertainties, the market sentiments also turned bad resulting in less orders – a direct impact in our top-line and bottom-line too. Similarly the oil prices seeing a continuous slump resulted in the Gulf countries suffering in market slowdown affecting our market top-line. All these accounted for unprecedented loss during the year in question. This was mainly on account of slack European market / lack of repeat orders. Some of our clients are not in good financial shape and it would be risky to deal with them. On the other hand, immediate reduction in cost is not feasible in the short term as drastic cut would affect future potential. The fall in turnover has a drastic effect on profit margin and the net loss for the year after provision for tax of Rs. 11.10 lacs works out to Rs. 162.49 lacs. The Company is not used to this kind of losses and corrective steps are initiated on urgent basis.

Efforts are being made to scale up marketing efforts and also explore domestic market. This is yielding results, albeit not considerable but something to rely upon in future. While the first quarter of the current year is not likely to be encouraging, the second and third quarter would be positive as order booking is gradually improving. Efforts are being made to judiciously use the resources so as to fund future growth without much of the cost.

2. DIVIDEND

Having regards to the losses incurred and in order to conserve the valuable resources your Board expresses their inability to recommend any dividend.

3. RESERVES

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

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure & developments

The Textile & Garment Industry is booming – there are excitements all around and new opportunities to surge further ahead.



Opportunities and Threats

Market is growing both locally and internationally. There's an unprecedented retail boom on domestic front and the possibilities are immense although with consequent keen price war.

Segment wise or product wise performance

Men's and Ladies tops still dominate the market although bottom wears also have made deep inroads. A lot of young fashion wears are surfacing to form a major block in between.

Outlook

It's a bright future ahead. The young fashion segment will dominate a fair segment of the emerging market.

Risk and concerns

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

Internal control systems and adequacy

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

Discussion on financial performance with respect to operational performance.

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

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

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

5. CHANGE IN NATURE OF BUSINESS

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

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

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

7. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary/Associate Company.

8. CORPORATE GOVERNANCE

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

PHILOSOPHY OF SPICE ISLANDS APPARELS LTD. ON CORPORATE GOVERNANCE:

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

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

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

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

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



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

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

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

9. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as Annexure – A and forms an integral part of this Report.

10. DIRECTORS

During the year under review Mrs. Seema Katre, is re-appointed as Whole Time Director for a period of three years, effective 12th November, 2016.

Mr. Radhakrishnan Nair was appointed as Additional Director with effect from 8th November, 2016 and his appointment will be regularized as a Director in the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

As per provisions of Section 152 of the Companies Act, 2013, one third of the total strength of directors is required to retire by rotation at every Annual General Meeting and they can offer themselves for reappointment, if eligible. At present the total strength of Board of Directors of the Company is seven directors out of which four are Independent Director and three are executive director. All independent directors were appointed for a period of 5 years with effect from 1st April 2014. The executive directors namely Mr. Umesh M. Katre was appointed as Managing Director for a period of 3 years with effect from 1st November, 2015. Mrs. Seema U. Katre, the whole time director was appointed for a period of 3 years with effect from 12th November, 2016 and Mr. Radhakrishnan Nair was appointed as executive director for a period of 3 years with effect from 8th November, 2016.

Since the Independent Directors are not required to be calculated for the purpose of determining the Directors liable to retire by rotation and the executive directors are appointed for a particular period as per the terms of employment, no Directors are retiring by rotation at the forth coming Annual General Meeting.

COMMITTEES OF THE BOARD:

- The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review.
- The Board Committees are established by the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities through the Committees and is responsible for its action. Each Committee of the Board is guided by its terms of reference and also makes specific references to the Board on various matters when required. All the minutes of committee meetings are placed before the Board for its noting.
- The Company had following Committees of the Board (during the financial year 2016 17) with specific terms of reference assigned to each of them.



Sr. No.	Name of the Committee	Members of the Committee	Position	Chairman	No. of meetings held during FY 2016-17
А	Audit Committee	Mr. Ashok Daryanani	Independent Director	Mr. Ashok Daryanani	4
		Mr. C. G. Patankar	Independent Director		
		Mr. Rahul Mehta	Independent Director		
		Mr. Carl Dantas	Independent Director		
В	Nomination and Remuneration Committee	Mr. Ashok Daryanani Mr. Rahul Mehta Mr. Carl Dantas	Independent Director Independent Director Independent	Mr. Ashok Daryanani	2
		Mr. Umesh Katre	Director Executive Director		
С	Stakeholder's Relationship	Mr. Ashok Daryanani	Independent Director	Mr. Ashok Daryanani	2
	Committee	Mrs. Seema Katre	Executive Director		
		Mr. Umesh Katre	Executive Director		

BRIEF NOTE ON NOMINATION AND REMUNERATION COMMITTEE:

I) COMPOSITION

- The Nomination and Remuneration Committee consists of one Executive and three Independent Directors.
- The Administrative Manager is invited to the meetings.

ii) SCOPE / FUNCTION / TERMS OF REFERENCE

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

iii) MEETING AND ATTENDANCE

• The Nomination and Remuneration Committee met twice during the financial year 2016 - 2017 i.e. on November 8, 2016 and February 6, 2017. The detail of the attendance of the members at the said meeting is as below:

Name of the Members	No. of -meetings held	No. of meetings attended
Mr. Umesh M. Katre	2	2
Mr. Ashok Daryanani	2	2
Mr. Rahul Mehta	2	2
Mr. Carl Dantas	2	2

iv) **REMUNERATION**

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



• REMUNERATION TO EXECUTIVE DIRECTORS

Mr. Umesh M. Katre, the Chairman & Managing Director, Mrs. Seema U. Katre, Whole Time Director and Mr. Radhakrishnan G. Nair, Executive Director of the Company was paid remuneration during the financial year 2016-2017 in accordance with the terms and conditions of the Agreement entered into by the Company with them. The details of the remuneration paid during the financial year 2016-2017 are given below:-

Particulars	Mr. Umesh M. Katre (Managing Director)	Mrs. Seema U. Katre (Whole Time Director)	Mr. Radhakrishnan G. Nair (Executive Director) (Annualized)
	Amount (Rs)	Amount (Rs)	Amount (Rs)
Salary	24,00,000	6,30,000	11,18,277
Contribution to provident fund	2,52,000	75,600	67,107
Other Allowances	5,50,000	2,60,150	2,28,800
Perquisites	21,000	-	73,320
Total	32,23,000	9,65,750	14,87,504

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

• REMUNERATION TO NON-EXECUTIVE DIRECTORS.

The non-executive directors are paid sitting fees of Rs.5000/- for each meeting of the Board attended by them. No sitting fees are paid for Committee meetings (except Audit Committee) attended by the Directors. Remuneration paid for the year ended 31st March, 2017.

Directors	Sitting fees for Board / Audit Committee Meetings
Mr. Ashok Daryanani	Rs. 30,000/-
Mr. Charuchandra Patankar	Rs. 30,000/-
Mr. Rahul Mehta	Rs. 30,000/-
Mr. Carl Dantas	Rs. 30,000/-

11. KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

Sr. No.	Name of the Person	Designation
1.	Mr. Umesh M. Katre	Chairman & Managing Director
2.	Mr. Rohan U. Katre	Chief Financial Officer
3.	Mr. Pravin P. Kokam	Company Secretary

12. BOARD EVALUATION

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

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

13.BOARD MEETINGS AND BOARD PROCEDURE

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



In the financial year 2016 - 2017, the Board met five times. The meetings were held on April 11, 2016, May 25, 2016, August 12, 2016, November 08, 2016 & February 6, 2017. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation. The details of the attendance of the Directors at the Board meetings and the last Annual General Meeting is given below:

Sr. No.	Name of the Director	No. of Board Meetings held	No. of Board meetings attended	Attendance at the previous Annual General Meeting
1	Mr. Umesh M. Katre	5	5	Yes
2	Mrs. Seema Katre	5	5	Yes
3	Mr. Radhakrishnan Nair	2	2	No
4	Mr. Ashok G. Daryanani	5	5	Yes
5	Mr. C. G. Patankar	5	4	No
6	Mr. Rahul L. Mehta	5	4	Yes
6	Mr. Carl V. Dantas	5	4	Yes

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

15. WHISTLE BLOWER POLICY

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

16. REMUNERATION AND NOMINATION POLICY

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

17. RELATED PARTY TRANSACTION

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable.

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

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

Attention of the members is drawn to the disclosures of transactions with the related parties is set out in Note 36 to Accounts forming part of the financial statement.

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

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

19. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading insecurities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.



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

20. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the loss of the Company for the year ended on that date;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. STATUTORY AUDIT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s T D JAIN & D I SAKARIA, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by M/s T D JAIN & D I SAKARIA as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Bharath & Co., Chartered Accountants (ICAI Firm Registration Number 016963S) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

There is no audit qualification for the year under review.

22. COSTAUDIT

The Companies (Cost Records and Audit) Rules 2014, as notified with effect from June 30, 2014 lays down in detail the rules for applicability of maintenance of cost records and the audit thereof. None of the criteria are applicable to the Company and accordingly no audit of the cost records is carried out for the year ended March 31, 2017.

23. SECRETARIALAUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Messrs Nitesh Jain & Co., a firm of Company Secretaries in Practice (C.P.No.8582) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure - B and forms an integral part of the Report. As regards to comments in Secretarial Audit Report, it may be noted that it may be noted that the instructions are given to the secretarial department to file Form No. MR 1 in respect of appointment of Mr. Radhakrishnan Nair as executive director with the Ministry of Corporate affairs.

24. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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



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

25. RISK MANAGEMENT

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

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

Financial Risks

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

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

Commodity Price Risk

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

Regulatory Risk

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

Human Resources Risks

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

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

The Disclosure required under Section197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure – C and forms an integral part of this Report.

The Company does not have any employee (s) employed throughout the year and were in receipt of remuneration exceeding Rs. 60 lac per annum or more or employees employed for the part of the financial year 2016 - 2017 were in receipt of remuneration of Rs. 5 lac per month or more.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

28. STATUTORY INFORMATION

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

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



29. GENERAL

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

30. CAUTIONARY STATEMENT

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

31. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors, SPICE ISLANDS APPARELS LIMITED

PLACE : MUMBAI DATE : 29th May, 2017 UMESH M. KATRE (Chairman & Managing Director)



FORM NO. MGT-9

ANNEXURE 'A'

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2017

(Management & Administration) Rules 2014)

I REGISTRATION & OTHER DETAILS :-

1	CIN NO:	L17121MH1988PLC050197
2	Registration Date :	28-12-1988
3	Name of the Company	SPICE ISLANDS APPARELS LTD.
4	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non- government Company
5	Address of the Registered office & contact Details	Unit No: 43-48,Bhandup Industrial Estate, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-West-Mumbai-400 078. Tel: 022-61992900
6	Whether listed Company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, If any	Link Intime India Private Limited. C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083 Ph.: 022- 4918 6000 Fax : 022- 4918 6060 E-mail : mumbai@linkintime.co.in Website : www.linktime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr N	Name and Description of main products/Services	NIC Code of the products/services	% to total turnover of the Company
1	Woven & Knitting	14101 & 14301	71.18 % & 28.82 %



Category of Shareholders		share held of the (As on Apr	e year		No. of Shares held at the end of the year (As on March 31, 2017)				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	-
A. PROMOTORS									
1. Indian									
(a) Individual/HUF	2680412	0	2680412	62.34	2680412	0	2680412	62.34	-
(b) Central Govt.									
(c) State Govt.(s)									
(d) Bodies Corporate									
(e) Bonus/Fin									
(f) Any others									
Sub Total (A) (1):	2680412	0	2680412	62.34	2680412	0	2680412	62.34	-
2. Foreign									
(a) NRIs Individuals									
(b) Other Individuals									
© Bodies Corproate									
(d) Banks/ Fin									
(e) Any Others									
Sub Total (A) (2):	0	0	0	0	0	0	0	0	_
Total Shareholding of Promotor									
A = (A) (1)+(A) (2)	2680412	0	2680412	62.34	2680412	0	2680412	62.34	-
Category of Shareholders		share held of the (As on Api	e year			of the	neld at the e year ch 31, 201		% of change during th year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	-
Non-Institutions									
a) Bodies Corp.									
i) Indian	184787	37900	222687	5.18	235857	37200	273057	6.35	1.17
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs.1 lakh	666941	155435	822376	19.13	760894	150635	911529	21.20	2.07
ii) Individual Shareholders holding nominal share Capital in excess of Rs.1 lakh	518957	11400	530357	12.33	390165	11400	401565	9.34	-3.00
c) Others (Specify)									
Clearing Members	13541	0	13541	0.31	3459	0	3459	0.08	-0.23
Hindu Undivided Family	27837	0	27837	0.65	25288	0	25288	0.59	-0.06
Other Directors	1000	1400	2400	0.06	1000	1400	2400	0.06	0.00
Foreign Nationals				0.00				0.00	0.00
Non-Resident Indians (Repat)	40	0	40	0.00	1940	0	1940	0.05	0.04
Non Resident Indians (Non-Repat)	350	0	350	0.01	350	0	350	0.01	0.00
(0.00				0.00	0.00
Trust									
	1413453	206135	1619588		1418953	200635	1619588	37.7	0
Trust	1413453	206135	1619588		1418953	200635	1619588	37.7 0.00	0.00



Sr. No.	Shareholder's Name		reholding at			•	of the year -	%
		beginning o	f the year - A	pril 1, 2016	N.	larch 31, 201	17	change in
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	share holding in during the year
1	Umesh M. Katre	935087	21.75	-	935087	21.75	-	-
2	Umesh M. Katre(HUF)	315100	7.33	-	315100	7.33	-	-
3	Seema U. Katre	407400	9.47	-	407400	9.47	-	-
4	Nalini M. Katre	257200	5.98	-	257200	5.98	-	-
5	Mohan G. Katre(HUF)	255125	5.93	-	255125	5.93	-	-
6	Rohan U. Katre	239250	5.56	-	239250	5.56	-	-
7	Shweta U. Katre	239250	5.56	-	239250	5.56	-	-
8	Anjaliben S. Shevade	32000	0.74	-	32000	0.74	-	-
	Total	2680412	62.34	-	2680412	62.34	-	-

V. CHANGE	V. CHANGE IN PROMOTER SHARE HOLDING									
Sr No.	Particulars	Shareholding at the	beginning of the year	Cumulative shareholding during the year						
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company					
-	-		N PROMOTER REHOLDING	-	-					



0			Shareholding					Cumulative s during t (01/04/16 to	he year
Sr No.	Name	No. of sha	ares at the	% of total		Increase or			% of total
NU.		beginning of the year (01/04/2016)	end of the year (31/03/2017)	shares of the Company	Date	decrease in share holding	Reason	No. of shares	shares of the Company
1	MAHENDRA GIRDHARILAL	132319	120210	3.08	01 April 2016	0	NIL movement during the	120210	2.0
2	SHRI PARASRAM HOLDINGS PVT LTD	55483	132319	3.08	31 March 2016 01 April 2016 02 April 2016 22 April 2016 03 June 2016 30 September 2016 07 October 2016 09 December 2016 16 December 2016 30 December 2016 30 December 2016 20 January 2017 27 January 2017 10 February 2017 17 February 2017 03 March 2016 24 March 2017	NIL 100 200 1 -650 -1 350 -102 -99 98 -1005 7 7 -150 -100 -1000 600 200	year Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	132319 55843 55943 56143 56144 55494 55493 55493 55741 55642 55740 54735 54742 54735 54742 54792 54492 53492 54092 54092 54292	3.0 1.3 1.3 1.3 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2
			54289	1.26	31 March 2017	-3	Transfer	54289	2.2
	PVT LTD				08 April 2016 22 April 2016 29 April 2016 10 June 2016 17 June 2016 17 June 2016 21 July 2016 22 July 2016 29 July 2016 15 July 2016 12 August 2016 12 August 2016 20 September 2016 20 September 2016 20 September 2016 30 September 2016 30 September 2016 30 September 2016 21 October 2016 24 October 2016 28 October 2016 28 October 2016 28 October 2016 11 November 2016 18 November 2016 18 November 2016 25 November 2016 25 November 2016 20 December 2016 16 December 2016 16 December 2016 23 December 2016 16 December 2016 16 December 2016 23 December 2016 16 December 2016 23 December 2016 06 January 2017 20 January 2017 20 January 2017	493 -500 -1000 -1 1 -8713 5000 -5000 53993 -1 1 1 -1 1 -1 -1 24842 -287 -500 -613 -2050 -3032 -3191 -1646 -12 466 -2308 -1943 -358 -3150 -3291 -24993 1523 -773 4150 -4900	Transfer Transfer	12213 11713 10713 10712 10713 2000 55993 55992 55993 55992 55993 55992 55993 54171 49329 49042 48542 47929 45879 42847 39656 38010 37998 38044 35736 38010 37998 38044 35736 33435 30285 26994 2001 3524 2751 6901 2001	0.2 0.2 0.2 0.2 0.2 0.1 0.0 0.1 0.0 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3 1.3
			53634	1.24	24 February 2017 03 March 2017 31 March 2017	-801 52434 0	Transfer Transfer	1200 53634 53634	0.0 1.2 1.2



VI. SHARE HOLDING PATTERN OF TOP TEN SHAREHOLDERS

0.4			Shareholding					Cumulative s during t (01/04/16 to	he year
Sr No.	Name	No. of sha beginning of the year (01/04/2016)	ares at the end of the year (31/03/2017)	% of total shares of the Company	Date	Increase or decrease in share holding	Reason	No. of shares	% of total shares of the Company
4	OM NATH GARG	41680	46657	0.97	01 April 2016 16 September 2016 16 December 2016 31 March 2017	NIL 5000 -23	Transfer Transfer	41680 46680 46657 46657	0.97 1.08 1.08 1.08
5	GIRDHARI P ROHIRA	40000	40000	0.93 0.93	01 April 2016 31 March 2017	NIL		40000 40000	0.93 93.00
6	HEENA CHIRAG NARIC	HANIA 17450	66286	0.40	01 April 2016 12 August 2016 19 August 2016 26 August 2016 02 September 2016 09 September 2016 16 September 2016 23 September 2016 28 October 2016 18 November 2016 19 December 2016 23 December 2016 20 January 2017 03 March 2017 31 March 2017	NIL 671 468 350 515 46 1195 305 200 1000 2500 471 401 100 78 5553 2243	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	17450 18121 18589 18939 19454 19500 20695 21000 21200 22200 24700 25171 25572 25672 25672 25750 31303 33546	0.40 0.42 0.43 0.44 0.45 0.48 0.49 0.51 0.57 0.58 0.59 0.59 0.59 0.59 0.59 0.72 0.78 0.78 0.78
7	NAVEEN KUMAR T	0	31447	0.00	01 April 2016 24 March 2017 31 March 2017	NIL 31447	Transfer	0 31447 31447	0.00 0.73 0.73
8	BHUPCO ALLOYS LTD.	28500		0.66	01 April 2016	0	NIL movement during the year	28500	
9	ASHOK G DARYANANI	26505	28500	0.66 0.62 0.62	31 March 2017 01 April 2016 31 March 2017	NIL 26505		28500 26505 26505	0.66 0.80 0.80
10	SANCHAYITA SECURITIES PVT LTD	20000	20000	0.47	01 April 2017 31 March 2017	NIL		20000 20000 0 20000	0.47



0		Shareholding						Cumulative s during t (01/04/16 to	he vear
Sr No.	Name	No. of shares at the		% of total		Increase or			% of total
110.		beginning of the year (01/04/2016)	end of the year (31/03/2017)	shares of the Company	Date	decrease in share holding	Reason	No. of shares	shares of the Company
1	Mr. Umesh Mohan Katre Chairman And Managing Director	935087	935087	21.75 21.75	01 April 2016 31 March 2017	0	Nil movement during the year	935087	21.75
2	Mrs. Seema Umesh Katre Whole Time Director	407400	407400	9.47 9.47	01 April 2016 31 March 2017	0	Nil movement during the year	407400	9.47
3	Mr. Rohan Umesh Katre Chief Financial Officer	239250	239250	5.56 5.56	01 April 2016 31 March 2017	0	Nil movement during the year	239250	5.56
4	Mr. Ashok G. Daryanani Director	34386	26505	0.80 0.62	01 April 2016 31 March 2017	0	Transfer of shares	26505	0.62
5	Mr. Rahul L. Mehta Director	1200	1200	0.00	01 April 2016 31 March 2017	0	Nil movement during the year	1200	0.00
6	Mr. Carl Dantas Director	600		0.00	01 April 2016	0	Nil movement during the year		
			600	0.00	31 March 2017	0		600	0.0

VII. SHARE HOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

VIII. INDEBTENESS

Indebtedness of the Company including interest outstanding/accruded but not due for payment (Rs. In Lacs).

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of				
the financial year				
I) Principal Amount	84.18	0	0	84.18
ii) Interest due but not paid	0	0	0	0
iii)Interest accruded but not due	0	0	0	0
Total (I + II + III)	84.18	0	0	84.18
Change in Indebtedness during th	e financial year			
Addition	1471.34	0	0	1471.34
Reduction	-1327.79	0	0	-1327.79
Net Change	143.55	0	0	143.55
Indebtendiness at the end of the	financial year			
I) Principal Amount	227.73	0	0	227.73
ii) Interest due but not paid	0	0	0	0
iii)Interest accruded but not due	0	0	0	0
Total (I + II + III)	227.73	0	0	227.73



IX. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Direct and / or Manager (Rs. In Lacs)

Sr.No.	Particular of Remuneration	Name	of MD / WTD / Ma	anager	Total Amount
		MD	WTD		
		Mr. Umesh	Mrs. Seema	Mr. Radha-	
		Katre	Katre	krishnan Nair	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	29.50	8.90	13.47	51.87
	(b) Value of Prequisites u/s 172(2) of the Income Tax Act,1961	0.21	-	0.73	0.94
	(c) Profits in liew of Salary u/s. 173 (3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % profit				
	- others specify				
5	Others, please specify- Contribution to PF	2.52	0.75	0.67	3.94
	Total	32.23	9.65	14.87	56.75

B Remuneration to Other Directors (Rs. In Lacs)

Sr.No.	Particulars of Remuneration		Total Amount			
1	Independent Directors	Mr. C. G. Patankar	Mr.Carl Dantas	Mr. Ashok Daryanani	Mr. Rahul Mehta	
	Fee for attending board/committee meeting	0.30	0.30	0.30	0.30	1.20
	Commission/Others, please specify	-	-	-	-	-
	Total	0.30	0.30	0.30	0.30	1.20

C Remuneration to Key Managerial Personnel and other than MD/Manager/WTD (Rs. In Lacs)

Sr.No.	Particulars of Remuneration	Key Manager	ial Personnel
		Mr. Rohan Katre	Mr. Pravin Kokam
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	13.05	2.29
	(b) Value of Prequisites u/s 172(2) of the Income Tax Act,1961	0.4	-
	(c) Profits in liew of Salary u/s. 173 (3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % profit		
	- others specify		
5	Others, please specify- Contribution to PF	0.65	0.1
	Total	14.1	2.39



Туре	Section of the Companies Act	Brief description	Details of penalty/ punishment/ Compunding	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)		
A. Company							
Penalty							
Punishment		NONE					
Compunding							
B. Directors							
Penalty							
Punishment		NONE					
Compunding							
C. Other Officers in Default							
Penalty			NONE				
Punishment			NONE				
Compunding							



ANNEXURE B

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members, Spice Islands Apparels Limited CIN: L17121MH1988PLC050197 Unit 3043-3048, 3rdFloor, Bhandup Ind. Estate Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Spice Islands Apparels Limited (hereinafter called theCompany). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31,2017, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provision of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 1992;
 - c) 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;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
 - g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);
 - i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(Not applicable to the Company during the audit period);



- vi. I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company. The list of major head/groups of other Acts as applicable to the Company is as under
 - a) Factories Act, 1948
 - b) Payment of Gratuity Act, 1972, and rules made thereunder,
 - c) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - d) Employees' State Insurance Act, 1948, and rules made thereunder,
 - e) The Payment of Bonus Act, 1965, and rules made thereunder,
 - f) Payment of Wages Act, 1936, and rules made thereunder,
 - g) Acts prescribed under Environmental protection;

Further, the management has confirmed that there are no sector specific laws applicable to the Company during the Audit Period.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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:

Non filing of e-form no. MR-1 in respect of appointment of Mr. RadhakrishnanGovinda Pillai Nair as Wholetime Director under executive category in terms of Section 196 read with Section 197 andSchedule V of the Companies Act, 2013 and pursuantto Rule 3 of the Companies (Appointment andRemuneration of Managerial Personnel) Rules 2014]

I further report that,

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

There are adequate systems and processors in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

Nitesh Jain For Nitesh Jain & Co. Company Secretaries M. No. - FCS 6069 CP No. - 8582 Place: Mumbai Date: 29thMay, 2017

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report.



Annexure – '1'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members, Spice Islands Apparels Limited. CIN: L17121MH1988PLC050197

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 processes 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 processes 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. Where ever 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 procedures 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.

Nitesh Jain For Nitesh Jain & Co. Company Secretaries M. No. - FCS 6069 CP No. - 8582

Place: Mumbai Date: 29thMay, 2017



ANNEXURE C

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT ,2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Sr.	Requirements	Disclosure			
	The ratio of the remuneration of each director	Name of the Directors	Ratio		
	to the median remuneration of the	Mr. Umesh Katre	16.80		
	employees of the company for the financial	Mrs. Seema Katre	5.03		
	year	Mr. Ashok Daryanani	NA		
		Mr. Carl Dantas	NA		
		Mr. Charuchandra Patankar	NA		
		Mr. Rahul Mehta	NA		
		Mr. Radhakrishnan Nair	7.75		
		1. The median remuneration of employees of the Company wa Rs.1.91 lac.			
		2. For this purpose, sitting fees paid to the Directors have not bee considered as remuneration.			
		3. Figures have been rounded off wherever necessary.			
	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Mr. Umesh Katre	0.69%		
		Mrs. Seema Katre - WTD	-27.28%		
		Mr. Ashok Daryanani	NA		
		Mr. Carl Dantas	NA		
		Mr. Charuchandra Patankar	NA		
		Mr. Rahul Mehta	NA		
		Mr. Rohan Katre	21.47%		
		Mr. Pravin Kokam	4.28%		
		Mr. Radhakrishnan Nair* 9.90% Increase in remuneration is made as per appraisal system an Remuneration and Nomination Policy of the Company. *Annualised			
3	The percentage increase in the median remuneration of employees in the financial year:				
4	The number of permanent employees on the rolls of company	There were 53 employees as on 31st March, 2017			
5	The explanation on the relationship between average increase in remuneration and		based on the		
	company performance	1. Compensation trends based on industry benchmarking			
		2. Compensation positioning vis-à-vis market trend			
		3. Alignment between risks and remuneration			
		4. Applicable regulatory guidelines			



Director's report

6	Managerial Pers	Composition of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company;		During the Financial Year 2016-17 the remuneration paid to all three KMPs aggregate to approximnately 2.60% of the Gross Revenue. The Gross Revenue was Rs. 1874.33 Lacs (previous year Rs.2375.86 Lacs)			
7	Company, price closing date of the previous finance increase over of quotations of sh comparision to	narket capitalisation of the earning ratio as at the ecurrent financial year and fal year and percentage decrease in the market nares of the company in the rate at which the ut with the last public offer impanies;	9.22 Crores as of 31st March, 2016 to Rs. 9.39 Crores as of 31st March, 2017. Over the same period, the price earnings ratio moved from 0.65 to -3.78. The Spice Islands Apparels Limited stock price as at 31st March, 2017 has decreased by 37.57% since the last public				
8	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparision with the percentage increase in the managerial remuneration and justification thereof and point out if there are any expectional circumstances for increase in the managerial remuneration.		e than Managerial Personnel and 0.63% for Managerial Personnel e al d al				
9	Comparison of the each remuneration	Particulars	Remuneration for FY 2016-17 (Rs. In lacs)	% of gross Revenue for FY 2016-17	% of Profit for FY 2016-17		
	personnel	Mr. Umesh Katre	32.23	1.72%	-21.29%		
	against the performance of	Mrs. Seema Katre - WTD	9.65	0.51%	-6.37%		
	the company;	Mr. Radhakrishnan	14.87	0.79%	-9.82%		
		Mr. Rohan Katre	14.09	0.75%	-9.31%		
		Mr. Pravin Kokam	2.39	0.13%	-1.58%		
10		eters for any variable nuneration availed by the	The Company do remuneration.	es not have policy of	of paying variable		
11	paid director to th are not directors b	muneration of the highest hat of the employees who ut receive remuneration in est paid director during the	This is not applicable	to the Company.			
12		ne remuneration is as per policy of the Company	Yes, it is confirmed.				

General Note:

- 1 Calculation of Market Capitalizaton, price to earnings and other details are based on stock price on BSE Limited on relevant dates.
- 2 Profit of the Company is calculated as per Section 198 of the Companies Act, 2013.
- 3 Managerial Personnel includes Chairman & Managing Director, Whole-time Director and Executive Director.

Director's report



ANNEXURE D

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2017 is given here below and forms part of the Director's Report.

A) Conservation of energy:

Power and fuel consumption in respect of manufacturing units

- a) Purchased Units 85964 740646 **Total Amount**
 - Rate per unit (Rs) 8.61 Nil
- b) Own Generation
 - (I) the steps taken or impact on conservation of energy; *
 - (ii) the steps taken by the company for utilizing alternate sources of energy; *
 - (iii) the capital investment on energy conservation equipments; *

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

(B) Technology absorption:

- (I) Efforts made: Continuous efforts are being made in improving the quality of Shirts, Jackets, Skirts and Blouses produced by the Company on existing production methods, improving labour productivity.
- (ii) Benefits: Company could make its impact in the items manufactured by adopting changing technology.
- (iii) Imported Technology: The Company is currently using Indian Technology.

(C) Foreign exchange earnings and Outgo:

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

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

(b) EAF	(b) EARNING AND OUTGO					
(I)	Foreign Exchange Earning Export Sales(FOB)	1535.81				
(ii)	Foreign Exchange outgo (includes raw material, spare parts, capital goods and other expenditure in foreign currency including dividends)					
	(a) Raw Material	NIL				
	(b) Capital Goods (Spares)	NIL				
	(c) Components, Spares and Accessories	38.27				
	(d) Dyes & Chemicals	NIL				
	(e) Travelling & Other Expenses	5.89				
	(f) Commission	4.40				

For and on behalf of the Board of Directors, SPICE ISLANDS APPARELS LIMITED

PLACE : MUMBAI DATE : 29th May, 2017

UMESH M. KATRE (Chairman & Managing Director)



Independent auditors' report to the members of SPICE ISLANDS APPARELS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of **SPICE ISLANDS APPARELS LIMITED**, ("the Company") which comprise the balance sheet as at **31 March 2017**, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its losses and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure-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 further report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- (c) The Balance sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - I). The Company has disclosed the impact, if any, of pending litigations as at 31 March 2017, on its financial position in its financial statements Refer Note 28 to the financial statements;
 - ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - iv). The company has provided requisite disclosures in its financial statements as to holdings as well as dealing in specified bank notes during the period from November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the company. Refer Note 41 to the financial statements.

for **M/s T D JAIN AND D I SAKARIA** Chartered Accountants Firm registration no: 002491S

DHANPALI SAKARIA

Partner M NO: 213666

Place: Bangalore Date : 29.05.2017



Annexure - A to the Auditors' Report

(The annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of SPICE ISLANDS APPARELS LIMITED for the year ended 31 March 2017)

- (I) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals during the year, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) The title deeds of all immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification were not material.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted any deposits to which the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3(v) of CARO is not applicable to the company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act 2013, for any of the products of the company. Thus paragraph 3(vi) of CARO is not applicable to the company.
- (vii) According to the information and explanations given to us:
 - a) The company has generally been regular in depositing with a appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess were in arrears, as at 31 March 2017 for a period of more than six months from the date they became payable.

- b) On the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute other than those mentioned in Note 1, which are pending before respective authorities as mentioned there against;
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the company during the year have been applied for the purposes for which they were obtained. Further, the company has not raised any money by way of public issue/follow on offer.
- (x) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud by the company and no fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
- (xi) The Managerial Remuneration has been paid in accordance with the requisite approvals mandated by section 197 read with Schedule V of the Companies Act.
- (xii) The company is not a Nidhi Company and therefore clause 3(xii) of the Order is not applicable to the company.
- (xiii) All transactions with the related parties are in compliance with Section 188 and (where applicable) of Companies



Act, 2013 and the details thereof have been disclosed in the financial statements as required by the Accounting standards and Companies Act, 2013.

- (xiv) The Company has not made any preferential allotment/private placement of shares during the year and therefore clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and therefore clause 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for **M/s T D JAIN AND D I SAKARIA** Chartered Accountants Firm registration no: 002491S

DHANPAL I SAKARIA Partner M NO: 213666

Place: Bangalore Date : 29.05.2017



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Spice Islands Apparels Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 over financial reporting 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'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on. Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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 authorisations of management and directors of the company; and



c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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.

for **M/s T D JAIN AND D I SAKARIA** Chartered Accountants

Firm registration no: 002491S

DHANPALI SAKARIA

Partner M NO: 213666 Place: Bangalore Date : 29.05.2017



Name of the Statute	Nature of dues	Amount in (₹.)	Period to which Amount relates	Forum where dispute is pending		
Income tax Act, 1961	Demand u/s 156 against order u /s 143(3)	₹. 82,16,360	A Y 2010-11	Income tax appellate tribunal,Mumbai		
Income tax Act, 1961	Demand u/s 156 against order u/s 143(3)	₹. 7,64,770	A Y 2012-13	Asst. Commissioner of Income tax – Appeals – 8, Mumbai		
Income tax Act, 1961	Penalty u/s 271(c)	₹. 85,004	A Y 2010-11	Asst. Commissioner of Income tax – Appeals – 8, Mumbai		

Note 1 as referred to in para vii(b) of annexure A to the auditor's report:

Balance Sheet as at 31st March 2017



	Particulars	Notes	31 March 2017	31 March 201
	Equity and Liabilities		₹.	₹
	Shareholders' fund			
	Share capital	3	43,000,000	43,000,00
	Reserves and surplus	4	71,434,864	87,684,62
			114,434,864	130,684,62
	Non- current liabilities			
	Long-term borrowings	5	9,337,815	8,648,44
	Deferred tax liabilities (Net)	6	-	
	Other long term liabilities		-	
	Long-term provisions		-	
			9,337,815	8,648,44
Cur	rent liabilities			
	Short- term borrowings	7	13,496,014	
	Trade payables	8	8,780,610	6,865,43
	Other current liabilities	9	12,111,741	9,271,13
	Short- term provisions	10	228,229	4,004,74
			34,616,594	20,141,31
	Total		158,389,273	159,474,37
I.	Assets			
	Non- current assets			
	Fixed assets			
	i) Tangible assets	11	30,813,358	28,842,02
	ii) Intangible assets	12	18,936	85,33
	iii) Capital work in progress		-	
	iv) Intangible assets under development		-	
	Non-current investments	13	10,396,203	12,284,30
	Deferred tax assets (net)	6	1,156,403	1,609,61
	Long term loans and advances	14	20,747,767	23,126,23
	Other non-current assets	15	17,322	32,32
			63,149,989	65,979,83
	Current assets			
	Current investments	16	21,301,535	16,534,75
	Inventories	17	10,104,825	15,825,13
	Trade receivables	18	25,324,463	14,436,52
	Cash and cash equivalents	19	22,431,918	23,731,83
	Short-term loans and advances	14	14,601,883	22,768,98
	Other current assets	15	1,474,660	197,31
			95,239,284	93,494,53
			158,389,273	159,474,37

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per our attached report of even date. **For M/s T D JAIN AND D I SAKARIA** Chartered Accountants firm registration no: 002491S **DHANPAL I SAKARIA** Partner M.No: 213666 Place: Bangalore Date : 29.05.2017 For and on behalf of the Board of Directors Spice Islands Apparels Limited

Umesh Katre Chairman & Managing Director

Pravin Kokam

Company Secretary

Ashok G. Daryanani Director & Chairman Audit Committee

Rohan Katre Chief Financial Officer

Place: Mumbai Date : 29.5.2017



Statement of Profit and Loss for the year ended 31 March 2017

	Notes	31 March 2017 ₹.	31 March 2016 ₹
Revenue			, , , , , , , , , , , , , , , , , , ,
Revenue from operations(net)	20	177,255,009	229,488,616
Other income	21	10,177,606	8,097,738
Total Revenue - (I)		187,432,615	237,586,354
Expenses			
Cost of materials consumed	22	67,275,309	90,123,077
Purchase of traded goods		-	
(Increase)/decrease in inventories of finished			
goods and work in process	23	4,612,559	(1,210,200
Employees benefits expenses	24	31,287,857	34,918,723
Other expenses	25	92,298,189	103,864,486
Total Expense - (ii)		195,473,914	227,696,086
Earnings before interest, tax, depreciation and			
amortisation - EBITDA - (i-ii)		(8,041,298)	9,890,268
Finance costs	26	2,398,967	1,703,060
Depreciation and amortization expenses	27	4,698,944	4,946,665
Profit/(loss) before tax - (iii)		(15,139,209)	3,240,543
Tax expenses			
Current tax (MAT)		-	757,152
MAT credit (entitlement)/Utilisation		-	
Net Current tax		-	757,152
(Excess)/short provision for tax of earlier years		657,330	20,450
Deferred Tax		453,217	(317,531
Total tax expense - (iv)		1,110,547	460,071
Profit/(loss) for the year (iii-iv)		(16,249,756)	2,780,472
Earning per equity share: (Nominal value per			
share: ₹ 10 (31 March 2016: ₹ 10)			
Basic		(3.78)	0.65
Diluted		(3.78)	0.65

As per our attached report of even date. For and on behalf of the Board of Directors For M/s T D JAIN AND D I SAKARIA Spice Islands Apparels Limited Chartered Accountants **Umesh Katre** Ashok G. Daryanani firm registration no: 002491S Chairman & Managing Director Director & Chairman DHANPAL I SAKARIA Audit Committee Partner Rohan Katre Pravin Kokam M.No: 213666 Chief Financial Officer **Company Secretary** Place: Bangalore Place: Mumbai Date : 29.5.2017 Date :29.5.2017

Cash flow statement for the year ended 31 March 2017



	31 March 2017	31 March 201
	₹.	₹
Cash flows from operating activities:		
Profit before tax	(15,139,209)	3,240,543
Add/(Less):Non cash adjustments to reconcile profit before tax to net cash flows		
- Depreciation and Amortisation	4,698,944	4,946,66
- (Gain)/Loss on sale of fixed assets	(27,641)	(12,549
 Adjustment to the carrying amount of investment 	(271,145)	672,29
- Finance cost	2,398,967	1,703,06
 Loss/(Profit) on sale of current investments 	(6,826,409)	(1,811,185
- Bad debts	-	109,64
- Provisions no longer required written back	(19,310)	(112,032
- Interest income	(2,327,785)	(4,305,338
- Dividend income	(481,621)	(506,399
Operating profit/(loss) before working capital changes	(17,995,209)	3,924,69
Add/(Less): Working capital changes		
- Decrease/(Increase) in inventories	5,720,310	674,31
- Decrease/(Increase) in trade receivables	(10,887,940)	(6,687,506
- Decrease/(Increase) in loans and advances	10,545,567	20,215,03
- Decrease/(Increase) in other assets	(1,262,344)	135,19
- Increase/(Decrease) in trade payables	1,934,482	(4,385,510
- Increase/(Decrease) in other liabilites	2,671,669	2,348,70
- Increase/(Decrease) in provisions	108,810	9,72
Cash generated from/(used in) operations	(9,164,655)	16,234,65
Direct taxes paid	661,140	621,50
Net cash flow from/(used in) operating activites (A)	(9,825,795)	15,613,15
Cash flows from investing activities:		
Purchase of Property, Plant & Equipment and intangible assets	(6,663,235)	(18,515,347
Proceeds from sale of investments	26,526,695	5,585,23
Purchase of investments	(22,307,829)	(9,692,292
Proceeds from sale of Property, Plant & Equipment	87,000	4,102,50
Interest income	2,327,785	4,305,33
Dividend income	481,621	506,39
Net cash flow from/(used in) investing activities (B)	452,037	(13,708,165
Cash flows from financing activities:	452,057	(13,700,103
(Repayment)/borrowal of long-term borrowings	858,312	6,448,004
(Repayment)/borrowal of short-term borrowings	13,496,014	0,440,00
Dividends paid on equity shares	(3,225,000)	(6,450,000
Tax on equity dividend paid	(656,513)	(1,313,068
Finance cost		
	(2,398,967)	(1,603,585
Net cash flow from/(used in) financing activities (C)	8,073,846	(2,918,649
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,299,912)	(1,013,659
Cash and cash equivalents at the beginning of the year	23,731,831	24,745,49
Cash and cash equivalents at the end of the year	22,431,918	23,731,83
Components of cash and cash equivalents		
Cash in hand	601,933	496,76
Balance with banks - on current accounts	21,829,985	23,235,06
Balance with banks - on deposit accounts	-	
Total Cash and cash equivalents	22,431,918	23,731,83



Cash flow statement for the year ended 31 March 2017

Summary of significant accounting policies **2.1** The accompanying notes are an integral part of the financial statements

As per our attached report of even date. **For M/s T D JAIN AND D I SAKARIA** Chartered Accountants firm registration no: 002491S **DHANPAL I SAKARIA** Partner M.No: 213666 Place: Bangalore Date : 29.5.2017 For and on behalf of the Board of Directors Spice Islands Apparels Limited

Umesh Katre Chairman & Managing Director

Rohan KatrePravin KokamChief Financial OfficerCompany Secretary

Ashok G. Daryanani Director & Chairman Audit Committee

> Place: Mumbai Date :29.5.2017



1. Corporate Information

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

2. Basis of preparation

The financial statements of the company have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006, (as amended), other pronouncements of Institute of Chartered Accountants of India and the relevant provisions of Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates and adopts all recently issued or revised accounting standards on an ongoing basis.

2.1. Summary of significant accounting policies

a) Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenditure for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Property, Plant & Equipment

Free hold land is carried at historical costs. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date is ready for its intended use and excludes Cenvat / value added tax eligible for credit/set off.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Capital work in progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit or loss in the year of occurrence.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

c) Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

d) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted foe cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided on the straight line method, over the useful life of the assets, as specified in Schedule II to the companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

Intangible fixed assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Intangible assets are amortized as under:

Intangible assets	ESTIMATED USEFUL LIFE		
Computer softwares	3 YEARS		

e) Impairment of Property, Plant & Equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is



recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation), had no impairment loss been recognised for the asset in prior years.

f) Investments

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

g) Valuation of inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The methods of determining cost of various categories of inventories are as follows:

Raw Materials and accessories : First in first out (FIFO)

Work-in-progress and finished goods (Manufactured)

: FIFO and including an appropriate share of Production

overheads.

h) Revenue recognition

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers.

Revenue from product sales is stated exclusive of returns, sales tax and applicable trade discounts and allowances.

Service income is recognized as per the terms of contracts with customers when the related services are performed, or the agreed milestones are achieved.

All other items of income are accounted on accrual basis except interest on Income Tax refund and dividend income which are accounted on receipt basis.

Export entitlements/incentives are recognized as income when the right to receive credit as per the terms of the relevant scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and then carrying value of the investment.

i) Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard (AS) 15 " Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006.

A. Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering all eligible employees of the Company. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Contributions to Gratuity fund are made to recognized funds managed by the Life Insurance Corporation of India. The Company accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation.

Contributions payable to the recognised provident fund, which is defined contribution scheme, are charged to the profit and loss account.

B. Short Term Employees Benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. These benefits include leave travel allowance, bonus/performance incentives and leave encashment.

j) Income tax expense

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e, the period for which MAT credit is allowed to be carried forward.



In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit & loss and shown as "MAT credit Entitlement".

The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax:

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

k) Foreign currency transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at year-end rates. The resultant exchange differences are recognized in the profit and loss account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

l) Leases

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on straight line basis using the rates and in the manner prescribed under Schedule II of the Companies Act, 2013. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of lease term or the useful life envisaged in Schedule II to Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Lease payments under operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

m) Borrowing costs

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

n) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

o) Earnings per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

p) Accounting policies, which are not specifically referred to, are consistent with generally accepted accounting policies.



3	Share Capital	31 March 2017 ₹.	31 March 2016 ₹.
	Authorised shares: 5,000,000 (31 March 2016: 5,000,000) equity	50,000,000	50,000,000
	shares of ₹.10 each		
	Issued, subscribed and fully paid-up shares:	50,000,000	50,000,000
	4,300,000 (31 March 2016: 4,300,000) equity shares of ₹.10 each	43,000,000	43,000,000
	Total	43,000,000	43,000,000

A. Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Particulars	31 Marc	ch 2017	31 March 2016	
	Nos	₹.	Nos	₹.
At the beginning of the period	4,300,000	43,000,000	4,300,000	43,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	4,300,000	43,000,000	4,300,000	43,000,000

B. Terms/Rights attached to Equity shares

The company has only one class of equity shares having par value of ₹. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general meeting.

During the year ended 31 March 2017, the amount of per share dividend recognised as distributions to equity shareholders was ₹.Nil (31 March 2016: ₹. 0.75)

In the event of Liquidation of the company, the holders 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 equity shares held by the shareholders.

C. Details of shareholders holding more than 5% shares in the company

Name of shareholder	31 March 2017		31 March 2016	
	Numbers	% holding	Numbers	% holding
Equity Shares of ₹. 10 each fully paid				
Umesh Katre	935,087	21.75	935,087	21.75
Seema Katre	407,400	9.47	407,400	9.47
Rohan Katre	239,250	5.56	239,250	5.56
Shweta Katre	239,250	5.56	239,250	5.56
Umesh M. Katre (HUF)	315,100	7.33	315,100	7.33
Nalini M. Katre	257,200	5.98	257,200	5.98
Mohan G. Katre (HUF)	255,125	5.93	255,125	5.93

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

- D. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil (31 March 2016: Nil)
- E. Share reserved for issue under options and contracts/commitments are: Nil (31 March 2016: Nil)



Reserves and surplus	31 March 2017 ₹.	31 March 2016 ₹.
Securities premium		
Balance as at beginning of the reporting period	34,914,240	34,914,240
Add/Less: Adjustments during the year	-	-
Closing balance	34,914,240	34,914,240
General reserve		
Balance as at beginning of the reporting period	17,376,795	17,276,795
Add: Amount transferred from surplus balance in the statement of profit and loss	-	100,000
Closing balance	17,376,795	17,376,795
Surplus/(deficit) in the statement of profit and loss		
Balance as at beginning of the reporting period	35,393,585	36,618,081
Add: Profit/(loss) for the year	(16,249,756)	2,780,472
	19,143,829	39,398,553
Less: Appropriations		
Proposed final equity dividend (amount per share ₹. Nil(31 March 2016: ₹.0.75)		3,225,000
Tax on proposed equity dividend	-	656,513
Short Provision for equity dividend of earlier years	-	23,455
Transfer to General reserves	-	100,000
Net surplus/(deficit) in the statement of profit and loss	19,143,829	35,393,585
Total	71,434,864	87,684,620

5	Long-term borrowings	Non-curr	ent portion	Current maturities	
		31 March 2017 ₹.	31 March 2016 ₹.	31 March 2017 ₹.	31 March 2016 ₹.
	Other Loans and Advances Vehicle Loans (Secured)	6,948,486	6,259,116	2,328,090	2,159,148
	Loans and advances from related parties (unsecured)	2,389,329	2,389,329		
		9,337,815	8,648,445	2,328,090	2,159,148
	The above amount includes				
	Secured borrowings	6,948,486	6,259,116	2,328,090	2,159,148
	Unsecured borrowings	2,389,329	2,389,329	-	-
	Amount disclosed under the head				
	"other current liabilities" - note 9	-	-	(2,328,090)	(2,159,148)
	Total	9,337,815	8,648,445	-	-

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



8

Notes to Financial Statements for the year ended 31.03.2017

6	Net deferred tax liability/(asset) Deferred tax liability	31 March 2017 ₹.	31 March 2016 ₹.
	Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	(73,758)	(257,066)
	Gross deferred tax liability/(asset)	(73,758)	(257,066)
	Deferred tax assets Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	302,369	326,574
	Impact of provision made for diminution in the value of investments	780,276	1,025,979
	Gross deferred tax assets	1,082,645	1,352,553
	Net deferred tax liability/(asset)	(1,156,403)	(1,609,619)
7	Short-term borrowings	31 March 2017 ₹.	31 March 2016 ₹.
	Packing Credit (secured)		
	Vijaya Bank	13,496,014	-
	Total	13,496,014	-

A) Packing credit is Vijaya bank are secured by hypothecation of current assets in the form of raw materials, semifinished goods, finished goods, stores/spares, receivables and other current assets and Property situated at Gala No.43 - 48 Bhandup Ind. Estate, Pannalal SilkMill Compound, LBS Marg, Bhandup, Mumbai - 400 078 and carries interest rate @ 10.75 % p.a.

The above amount includes	31 March 2017 ₹.	31 March 2016 ₹.
Secured borrowings	13,496,014	-
Unsecured borrowings		
Total	13,496,014	
Trade payables	31 March 2017 ₹.	31 March 2016 ₹.
Trade payables		
 Dues to micro enterprises and small enterprises [refer note 37] 	-	-
 Dues to creditors other than micro enterprises and small enterprises 	8,780,610	6,865,438
Total	8,780,610	6,865,438



9	Other current liabilities	31 March 2017 ₹.	31 March 2016 ₹.
	Current maturities of long-term borrowings (note 5)	2,328,090	2,159,148
	Advance Received from Customers	240,038	-
	Creditors for expenses	7,807,855	5,348,160
	Unclaimed dividends	983,921	943,173
	Statutory liabilities	751,836	820,649
	Total	12,111,741	9,271,130
10	Short-term provisions	<u>31 March 2017</u> ₹.	3 <u>1 March 2016</u> ₹.
	Provision for employee benefits		
	Provision for Gratuity (refer note 34)	228,229	119,419
	Other provisions		
	Provision for Wealth tax	-	3,810
	Proposed equity dividend	-	3,225,000
	Provision for tax on proposed equity dividend	-	656,513
	Total	228,229	4,004,742



		Gross carrying value	'ing value			Depre	Depreciation		Net carrying value	ing value
Particulars	As at beginning of the reporting period	Additions	Disposal	As at end of the reporting period	Upto last year	for the year	Withdrawal	Total	As at end of the reporting period	As at beginning of the reporting period
Building	2,718,402	I	I	2,718,402	564,343	42,769	I	607,112	2,111,290	2,154,059
Computers	4,625,495	197,950	I	4,823,445	4,425,319	119,345	1	4,544,664	278,782	200,177
Electrical Installation	3,909,505	54,600	I	3,964,105	3,347,715	120,860	1	3,468,575	495,530	561,790
Factory Building	2,671,491	1	1	2,671,491	1,831,720	75,629	1	1,907,349	764,142	839,771
Furniture & Fixture	11,510,189	5,500	1	11,515,689	9,492,123	405,270	1	9,897,393	1,618,295	2,018,065
Motor Car	20,286,506	5,466,404	1	25,752,910	4,400,372	2,636,474	1	7,036,846	18,716,064	15,886,134
Motor Bike	508,512	1	I	508,512	379,755	19,660	1	399,415	109,097	128,757
Office Equipment	6,306,288	306,831	1	6,613,119	4,588,869	518,158	1	5,107,027	1,506,091	1,717,419
Plant & Machinery	11,123,186	631,950	176,477	11,578,659	5,787,332	694,379	117,118	6,364,592	5,214,067	5,335,855
Total (A)	63,659,574	6,663,235	176,477	176,477 70,146,331	34,817,547	4,632,544	117,118	39,332,973	30,813,358	28,842,027
12. Intangible Assets										
		Gross carrying value	ing value			Deprec	Depreciation		Net carrying value	ing value
Particulars	As at beginning of the reporting period	Additions	Disposal	As at end of the reporting period	Upto last year	for the year/ adjustment	Withdrawal	Total	As at end of the reporting period	As at beginning of the reporting period
Computers (Software)	310,329	ı	I	310,329	224,994	66,399	ı	291,393	18,936	85,334
Total(B)	310,329	I	I	310,329	224,994	66,399	I	291,393	18,936	85,334
Grand Total(A+B)	63,969,903	6,663,235	176,477	70,456,660	35,042,541	4,698,943	117,118		39,624,366 30,832,294	28,927,361



3 Non-current investments (Value at cost unless stated otherwise) <u>Non-Trade Investments</u>	31 March 2017 ₹.	31 March 2016 ₹.
Investment in equity shares (quoted) 9,000 (31 March 2016: 9,000) Equity Shares of ₹. 10/- each fully paid equity shares of Sushant Capital Ltd. (At cost less provision for other than temporary diminition ₹. 45,000 (31 March 2016: ₹. 45,000))	-	-
Investment in equity shares (unquoted) 50,000 (31 March 2016: 50,000) Equity Shares of ₹.10 each fully paid up of Imperial Spirits Pvt. Ltd.	6,804,000	6,804,000
Investment in Mutual funds (quoted) 1727.263 (31 March 2016: 1727.263) Units of Reliance Vision Fund-Retail Growth Plan	370,000	370,000
Investment in Mutual funds (Unquoted) 3,11,190.29 (31 March 2016: 5,00,000) Units of Reliance Alternative Investment. Fund Pvt. Equity Scheme	3,222,203	5,110,300
Total	10,396,203	12,284,300
Aggregate amount of quoted investments (Market value f. 8,49,889(31 March 2016: ₹. 7,13,186)	370,000	370,000
Aggregate amount of unquoted investments	10,026,203	11,914,300
Aggregate provision for diminution in value of investments	45,000	45,000



14 Loans and advances

	Non-c	urrent	Curi	rent
Particulars	31 March 2017 ₹.	31 March 2016 ₹.	31 March 2017 ₹.	31 March 2016 ₹.
Security deposit				
Unsecured considered good	14,045,129	15,542,529	-	1,500,000
Advances recoverable in cash or kind				
Unsecured considered good	392,000	392,000	5,069,031	3,638,655
Other loans and advances				
Unsecured, Considered Good				
Advance tax (net of provision)	254,155	156,099	-	-
Inter corporate deposits (ICDs)	500,000	500,000	3,000,000	11,000,000
Loans/advances to employees	1,289,525	1,767,417	224,400	475,215
Prepaid expenses	-	-	839,554	340,758
Otheradvances	2,000,000	2,000,000	-	-
Balance with statutory/ government authorities	2,266,959	2,768,190	5,468,899	5,814,351
Unsecured, considered doubtful				
Inter corporate deposits (ICDs)	2,000,000	2,000,000	-	-
	8,310,639	9,191,706	9,532,852	17,630,324
Provision for doubtful loans & advances				
Inter corporate deposits (ICDs)	(2,000,000)	(2,000,000)	-	-
	6,310,639	7,191,706	9,532,852	17,630,324
Total	20,747,767	23,126,235	14,601,883	22,768,979

Loans and advances due by directors or other officers, etc

	Non-cu	urrent	Curre	ent
	31 March 2017 ₹.	31 March 2016 ₹.	31 March 2017 ₹.	31 March 2016 ₹.
Due from Managing director - included in security deposits	500,000	2,000,000	-	-
Due from Director - included in loans and advances to employees	6,28,000	_	12,000	-
Total	1,128,000	2,000,000	12,000	-



15 Other assets

	Non-c	urrent	Curi	rent
Particulars	31 March 2017 ₹.	31 March 2016 ₹.	31 March 2017 ₹.	31 March 2016 ₹.
Unsecured Considered Good unless stated otherwise				
Non current bank balances (note 19)	-	-	-	-
Interest accrued on fixed deposits with bank	-	-	-	-
Interest accrued on ICDs:	17,322	32,322	-	-
Interest accrued on other advances:	-	-	122,060	197,316
Other receivables	-	-	1,352,600	-
Total	17,322	32,322	1,474,660	197,316
Current investments (Valued at lower otherwise)	of cost and fair valu	ie unless stated	31 March 2017	31 March 2016
otherwise)				
			₹.	₹.
Non-Trade Investments				
Investment in equity shares (quoted)				
22,000 (31 March 2016: 22,000) Equity Shares of ₹. 2 each of Anant Raj	Limited.		1,050,500	724,900
NIL (31 March 2016: 10,000) Equity Shares of ₹.10 each of Aptech Ltd.			-	577,500
•				

Non-Trade Investments		
Investment in equity shares (quoted)		
22,000 (31 March 2016: 22,000) Equity Shares of ₹. 2 each of Anant Raj Limited.	1,050,500	724,900
NIL (31 March 2016: 10,000) Equity Shares of ₹.10 each of Aptech Ltd.	-	577,500
NIL (31 March 2016: 500) Equity Shares of₹. 10 each of Aditya Birla Nauo LTD	-	377,378
NIL (31 March 2016: 1,000) Equity Shares of₹.10 each of Axis Bank Ltd	-	410,468
NIL (31 March 2016: 1,500) Equity Shares of₹. 2 each of Cipla Ltd	-	765,472
NIL (31 March 2016: 5,000) Equity Shares of₹.1 each of Delta Corp Ltd	-	330,500
NIL (31 March 2016: 1,000) Equity Shares of₹.5 each of Infosys Itd	-	1,126,267
10,000 (31 March 2016: NIL) Equity Shares of ₹. 10 each of Chambal Fertiliser & Che	691,993	-
5,000 (31 March 2016: NIL) Equity Shares of ₹.10 each of Coffee Day Enter	1,163,000	-
10,000 (31 March 2016: NIL) Equity Shares of₹.1 each of DiSH Tv India LTD	928,123	-
50,000 (31 March 2016: NIL) Equity Shares of ₹.2 each of Future Enterprises Ltd.	1,334,889	-
10,000 (31 March 2016: Nil) Equity Shares of ₹.2 each of Jain Irrigation	602,000	-



		rent
Particulars	31 March 2017 ₹.	31 March 2016 ₹.
2,500 (31 March 2016: NIL) Equity Shares of ₹.10 each of RBL BANK LTD.	1,202,231	-
5,000 (31 March 2016: NIL) Equity Shares of ₹.10 each of The Hi Tech Gears Ltd.	1,592,750	-
5,000 (31 March 2016: 5,000) Equity Shares of ₹.2 each of KPIT Technologies Ltd	544,554	544,554
NIL (31 March 2016: 7,000) Equity Shares of ₹.10 each of L & T Finance Holdings Ltd	-	445,200
10,000 (31 March 2016: NIL) Equity Shares of ₹.1 each of The Ramco Industries Ltd.	2,198,274	-
10,000 (31 March 2016: 10,000) Equity Shares of ₹.1 each of Usha Martin Ltd.	174,500	114,700
15,000 (31 March 2016: 25,000) Equity Shares of ₹.1 each of Mercator Ltd	424,567	551,250
NIL (31 March 2016: 15,000) Equity Shares of ₹.10 each of Reliance Industries Ltd	-	471,995
NIL (31 March 2016: 2,500) Equity Shares of ₹.1 each of State Bank Of India	-	448,944
NIL (31 March 2016: 3,000) Equity Shares of ₹.2 each of Tata Motors Ltd	-	1,041,683
2,000 (31 March 2016: NIL) Equity Shares of ₹.10 each of UFO Movices India Limited	855,600	-
2,000 (31 March 2016: NIL) Equity Shares of ₹.10 each of LAURUS LABS LTD.	1,030,600	-
7,000 (31 March 2016: 7,000) Equity Shares of ₹.1 each of Thomas Cook(India) LTD	1,480,553	1,314,600
15,000 (31 March 2016: 15000) Equity Shares of ₹.5each of PENNAR IND.	615,000	709,500
3,000 (31 March 2016: 3,000) Equity Shares of ₹.10 each of Raymond LTD	-	1,218,900
4,000 (31 March 2016: 3,000) Equity Shares of ₹.10 each TRF LIMITED	912,400	860,940
Investment in mutual funds (quoted)		
134061.569 (31 March 2016: 134061.569) Units of L & T Mutual Fund Growth Plan	2,700,000	2,700,000
60000 (31 March 2016: 60000) Units of B292G Axis Triple Advantage Fund Option Growth	600,000	600,000
35264.484 (31 March 2016: 35264.484) Units of L & T Opportunities Mutual Fund	700,000	700,000
23946.360 (31 March 2016: 23946.360) Units of L & T Mid-Cap Mutual Fund	500,000	500,000
Total	21,301,535	16,534,750



	Aggregate amount of quoted invest (31 March 2016: ₹. 1,88,90,869)	ments (Market value	e₹. 2,45,46,309	21,301,535	16,534,750
	Aggregate amount of unquoted inve	estments		-	-
	Aggregate provision for diminution	in value of investme	nts	3,329,247	3,058,103
7.	Inventories (valued at lower of cost	t and net realisable	value)	31 March 2017 ₹.	31 March 2016 ₹.
	Raw material (refer note 22)			5,722,218	7,106,698
	Accessories (refer note 22)			629,402	352,673
	Work in process (refer note 23)			-	
	Finished goods (refer note 23)			3,753,205	8,365,764
	Total			<u> 10,104,8</u> 25	<u> 15,825,1</u> 35
8.	Trade receivables			31 March 2017 ₹.	31 March 2016 ₹.
	Outstanding for a period exceeding six months from the date they are due for payment				
	Unsecured, considered good	-	-		
	Other receivables				
	Unsecured, considered good			25,324,463	14,436,523
	Total			25,324,463	14,436,523
9.	Cash and cash equivalents	Non-c	Non-current		rent
		31 March 2017 ₹.	31 March 2016 ₹.	31 March 2017 ₹.	31 March 2016 ₹.
	Balance with Bank:				
	On current Account	-	-	20,845,643	22,291,658
	On unpaid dividend account	-	-	984,342	943,406
	Cash on hand:	-	-	601,933	496,767
	Total	-	-	<u>22,431,9</u> 18	23,731,831

Revenue from Operations	31 March 2017 ₹.	31 March 2016 ₹.
Sale of products		
-Finished goods	162,013,673	211,418,988
-Traded goods	-	-
Other operating Revenue		
- Sale of scrap	211,032	400,372
- Export incentives	14,306,411	16,959,978
- Others	723,894	709,278
Total	177,255,009	229,488,616



	Details of products sold		31 March 2017 ₹.	31 March 2016 ₹.
	Finished goods			
	Garments		162,013,673	211,418,988
	Total		162,013,673	211,418,988
1	Other Income		31 March 2017 ₹.	31 March 2016 ₹.
	Interest income on			
	- Bank deposits		-	72,200
	- Intercorporate deposits		2,327,785	4,233,138
	Dividend income		481,621	506,399
	Foreign exchange differences (net)		223,695	1,350,236
	Profit on sale of Investment		6,826,409	1,811,185
	Profit on sale of Property, Plant & Equipment (net	t)	27,641	12,549
	Adjustment to the carrying amount of investment	t	271,145	-
	Provisions/Creditors no longer payable written ba	ick	19,310	112,032
	Total		10,177,606	8,097,738
2	Cost of materials consumed		31 March 2017 ₹.	31 March 2016 ₹.
	Raw materials - Fabric and yarn			
	Opening stock		7,106,698	9,423,592
	Add: Purchases		53,362,587	71,432,011
			60,469,285	80,855,603
	Less: Closing stock		5,722,218	7,106,698
		А	54,747,067	73,748,905
	Accessories			
	Opening stock		352,673	1,274,513
	Add: Purchases		12,804,971	15,452,332
			13,157,644	16,726,845
	Less: Closing stock		629,402	352,673
		В	12,528,242	16,374,172
	Total	A+B	67,275,309	90,123,077



23	(Increase)/decrease in Inventories of finished goods and work-in-process	31 March 2017 ₹.	31 March 2016 ₹.	(Increase)/decrease ₹.
	Inventories at the end of the year Finished goods - Garments	3,753,205	8,365,764	4,612,559
	Work in process	-	-	-
		3,753,205	8,365,764	4,612,559
	Inventories at the beginning of the year			
	Finished goods - Garments	8,365,764	5,801,349	(2,564,415)
	Work in process	-	1,354,215	1,354,215
		8,365,764	7,155,564	(1,210,200)
	Total (increase)/decrease	4,612,559	(1,210,200)	
24	Employee Benefit Expense		31 March 2017 ₹.	31 March 2016 ₹.
	Salaries, wages and bonus		27,045,132	30,380,074
	Leave salary and LTA		1,609,363	1,938,146
	Contribution to provident and other fund		1,560,849	1,549,553
	Gratuity expense (refer note 35)		512,595	366,823
	Staff welfare expense		559,918	684,127
	Total		31,287,857	34,918,723
25	Other Expenses		31 March 2017 ₹.	31 March 2016 ₹.
	Power and fuel		1,273,944	1,422,671
	Repairs and maintenance:			
	Building		257,866	342,335
	Plant & Machinery		169,116	219,283
	Others		2,421,037	2,263,983
	Jobwork charges		43,726,207	52,119,407
	Embroidery charges		4,152,457	5,022,841
	Testing expense		697,662	756,078
	Commission		5,420,819	8,019,495
	Conveyance expense		3,014,905	2,837,311
	Service charges		3,746,129	3,528,303
	Rates and taxes		927,858	1,560,444
	Liquidated Damages		2,632,886	1,125,454
	Freight		1,956,003	2,146,151
	Adjustment to the carrying amount of investment			
	Adjustment to the carrying amount of investm	nent	-	672,290



Total	92,298,189	103,864,486
Others	1,217,707	754,136
Other services (certification fees)	40,250	54,783
In other capacity		
Tax audit fee	57,250	57,250
Audit fee	353,648	303,425
As auditor		
Payment to Auditors		
Membership & Subs. A/c	109,823	217,304
Bad debts/balances written off	-	109,643
Directors' sitting fees	120,000	120,000
Donation	32,002	58,601
Rent	1,414,500	1,523,600
Insurance	1,265,897	1,935,803
Sales promotion expense	2,122,193	2,750,567
Legal and professional charges	4,128,578	3,328,132
Printing and stationery	480,053	480,319
Travelling charges	3,357,795	3,229,794
Communication costs	2,457,843	2,196,173

Finance	e costs	31 March 2017 ₹.	31 March 2016 ₹.
Interes	t		
-Banks		685,720	429,406
-Others	5	934,259	889,990
Bank cl	harges	778,988	383,664
Total		2,398,967	1,703,060

27	Depreciation and amortisation	31 March 2017 ₹.	31 March 2016 ₹.
	Depreciation on Property, Plant & Equipment	4,632,545	4,876,246
	Depreciation on intangible assets	66,399	70,419
	Total	4,698,944	4,946,665



28. Contingent liabilities not provided for:

Disputed claims/levies (excluding interest, if any), in respect of Income tax `. 90,66,134 (31 March 2016: `.90,66,134)

The Company is also involved in other lawsuits, claims, investigations and proceedings, which arise in the ordinary course of business, however, there are no such matters pending that the company expects to be material in relation to its business.

29. Value of imports calculated on CIF basis: ₹. 38,27,856 (31 March 2016: ₹. 31,33,707)

30. A) Expenditure in foreign currency:

Nature of expenses	31 March 2017 ₹.	31 March 2016 ₹.
Travelling expenses	5,89,383	6,58,582
Commission	4,40,725	20,39,556

- B) Earnings in foreign currency FOB value of export sales: ₹. 15,35,81,672 (31 March 2016: ₹. 20,51,76,432)
- 31. Balances of Sundry debtors, sundry creditors, loans and advances, receivables and payables are subject to confirmation/reconciliation, if any.
- 32. In the opinion of the Board of directors adequate provision has been made in the accounts for all known liabilities and the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the value stated in the balance sheet.
- 33. The Company's significant leasing arrangements are in respect of operating leases for Guest houses and office premises. These are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rentals payable are charged as rent under note 25.

The company uses motor car and guest house which is leased under non-cancellable operating leases. The company has commitment under non-cancellable operating leases as follows:

Minimum Lease Payment	31 March 2017 ₹.	31 March 2016 ₹.
Due within one year	6,96,000	3,36,000
Due later than one year and not later than five years	10,44,000	
Due later than five years		

Lease payments recognized in the statement of profit & loss as rent under note 24.

Rent paid	31 March 2017 ₹.	31 March 2016 ₹.
On account of Non-cancellable lease	8,07,600	9,35,600
On account of Cancellable Lease	6,06,900	5,88,000



34. During the financial year 2010-2011, the company sold all the shares of M/s. Bhupco Alloys Limited., its erstwhile subsidiary Company, to M/s. Emer Hotels & Suites Pvt Ltd., pursuant to approval for the same by the board of directors of the Company vide its resolution dated 04/02/2011 for an amount ₹.1,16,20,843, against which an amount of ₹.70,00,000 was received from M/s. Emer Hotels & Suites Pvt Ltd., during the year 2011-2012.

The management is of the opinion that an amount of ₹.20,00,000 though not received till date shall be received during the year 2017-18. The remaining balance of ₹. 26,20,843 is to be received from them only on receipt of rental deposit from landlord in Bhupco Alloys Ltd. Since, the consideration of ₹.26,20,843 is contingent on happening of an event in future, the outcome of which cannot be ascertained accurately as at balance sheet date, the same has not been recognized in the books of account as at 31 March 2017.

35. Gratuity Plan

The following table set out the status of the plan as required under AS 15(revised):

Change in defined benefit obligation	31 March 2017 ₹.	31 March 2016 ₹.
Opening defined benefit obligation	46,24,007	40,49,655
Interest cost	3,61,135	3,19,923
Current Service cost	1,23,190	1,14,711
Benefits paid	(7,90,305)	(1,19,365)
Actuarial losses/(gain)	3,83,107	2,59,083
Past Service Cost (Vested Benefit) incurred during the year		
Closing defined benefit obligation	47,01,134	46,24,007
Change in plan assets	31 March 2017 ₹.	31 March 2016 ₹.
Plan Assets at beginning of the year, at fair value	45,04,588	39,39,957
Expected Return on plan Assets (estimated)	3,51,808	3,11,257
Contributions	4,03,785	3,57,102
Benefits settled	(7,90,305)	(1,19,365)
Actuarial gain/(loss) on plan assets	3,029	15,637
Plan Assets at end of the year, at fair value	44,72,905	45,04,588

Reconciliation of present value of the obligation and the fair value of the plan assets	31 March 2017 ₹.	31 March 2016 ₹.
Fair value of plan assets at the end of the year	44,72,905	45,04,588
Present value of the defined benefit obligation at the end of the year	47,01,134	46,24,007
Assets/(Liability) recognized in the balance sheet	(2,28,229)	(1,19,419)



Gratuity cost for the period	31 March 2017 ₹.	31 March 2016 ₹.
Current Service Cost	1,23,190	1,14,711
Past Service Cost (Vested Benefit) incurred during the year		
Interest cost	3,61,135	3,19,923
Expected Return on plan Asset	(3,51,808)	(3,11,257)
Net Actuarial (Gain)/Loss recognized for the year	3,80,078	2,43,446
Expenses recognised in the statement of profit and loss	5,12,595	3,66,823

Movements in the liability recognized in Balance sheet	31 March 2017 ₹.	31 March 2016 ₹.
OpeningLiability	1,19,419	1,09,698
Expenses recognized	5,12,595	3,66,823
Contribution paid	(4,03,785)	(3,57,102)
Closing Liability	2,28,229	1,19,419

Assumptions at the valuation date	31 March 2017 ₹.	31 March 2016 ₹.	
Discount factor	7.22%	7.81%	
Salary Escalation rate	4.00%	4.00%	
Rate of Return (Expected) on plan Asset	7.22%	7.81%	
Retirement age	60 years	60 years	



Other information	31 March 2017 ₹.	31 March 2016 ₹.	31 March 2015 ₹.	31 March 2014 ₹.	31 March 2013 ₹.
Defined benefit obligation	47,01,134	46,24,007	4,049,655	33,10,388	26,44,112
Plan assets	44,72,905	45,04,588	39,39,957	30,85,813	26,62,581
(Surplus)/deficit	2,28,229	1,19,419	1,09,698	2,24,575	(18,469)
Experience adjustments on plan liabilities – (Gain)/loss	3,83,107	2,59,083	3,65,606	6,39,017	(2,399)
Experience adjustments on plan assets – (Gain)/loss	3,029	15,637	8,635	(8,508)	(27,015)

Details of Imported & Indigenous Raw Materials and Stores and Spare parts consumed:-

Particulars	31 March 2017 ₹.	% of Total Consumption	31 March 2016 ₹.	% of Total Consumption
Raw Materials				
Imported				
Indigenous	5,47,47,067	100.00%	7,37,48,905	100.00%
Total	5,47,47,067	100.00%	7,37,48,905	100.00%
Accessories				
Imported	31,59,299	25.22%	23,08,011	14.09%
Indigenous	93,68,943	74.78%	1,40,66,161	85.91%
Total	1,25,28,242	100.00%	1,63,74,172	100.00%

36. Related party disclosures:

•

- A. Name of the related parties and related party relationship Related parties with whom transactions have taken place during the year: (As identified by the Management and relied upon by auditors)
 - Key managerial Personnel represented on the board:

•	Mr. Umesh M. Katre	- Managing Director
•	Mr. Ashok Daryanani	- Director

- - Mr. Carl Dantas Director
- Mr. Charuchandra Patankar
- Director

- Director

- Mr. Radha Krishnan Nair Director(w.e.f. 08.11.2016)
- Mrs. Seema Katre
 Whole-time Director
- Relatives of key managerial personnel:

Mr. Rahul L Mehta

Mr. Rohan U Katre - Managing Director's Son



B. Particulars of Related Party Transactions

Particulars	31 March 2017 Amount ₹.	31 March 2016 Amount ₹.
Managerial remuneration:		
Managing director (including bonus)	29,71,000	32,00,000
Whole time director (including bonus)	8,90,150	13,27,250
Director's sitting fees:		
Mr Ashok Daryanani	30,000	30,000
Mr Karl Dantas	30,000	30,000
Mr C G Patankar	30,000	30,000
Mr R L Mehta	30,000	30,000
Salary: (Including contribution to PF)		
Rohan U Katre	13,44,600	12,57,200
Salary: (Including contribution to PF)		
Radha Krishnan Nair	14,20,397	12,92,908
Loan received (Purchase of car)		
Managing Director	Nil	23,89,329
Lease rent:		
Managing director	1,20,000	1,20,000
Purchase of services:		
Managing director	6,00,000	4,80,000

C. Details of remuneration to key managerial personnel

Umesh M Katre – Managing Director

Particulars	31 March 2017 Amount ₹.	31 March 2016 Amount ₹.
Salary including bonus and leave salary(included Ex-Gratia)	20,50,000	23,00,000
Contribution to provident fund	2,52,000	1,80,000
House rent allowance	9,00,000	9,00,000
Perquisites	21,000	39,600
Total	32,23,000	34,19,600

Seema Katre – Whole time Director

Particulars	31 March 2017 Amount ₹.	31 March 2016 Amount ₹.
Salary including bonus and leave salary	8,90,150	13,27,250
Contribution to provident fund	75,600	88,200
House rent allowance		
Perquisites		
Total	9,65,750	14,15,450



D. The Company has the following amounts due from/to related parties as on 31 March 2017

Particulars	31 March 2017 Amount ₹.	31 March 2016 Amount ₹.
Due from Managing director (included in long term loans and advances)	5,00,000	20,00,000
Due to Managing Director (included in Long term borrowing)	23,89,329	23,89,329
Due from director (included in loans and advances to employees)*	6,40,000	6,52,000

*Loan was given to prior becoming a Director

37. Unclaimed Dividends on Equity Shares:

Year	Amount in ₹. as at 31 March 2017	Amount in ₹. as at 31 March 2016
2008-2009	Nil	1,13,125
2009-2010	1,87,841	1,88,141
2010-2011	78,032	78,032
2011-2012	70,218	70,218
2012-2013	80,557	80,557
2013-2014	1,90,283	1,90,683
2014-2015	2,21,367	2,22,417
2015-2016	1,55,623	Nil

- 38. Based on the information available with the company, principal amount due to micro and small enterprises as defined under MSMED Act, 2006 is ₹. Nil (31 March 2016: ₹. Nil). Further interest paid during the year and interest due at the end of the year to micro and small enterprises is ₹. Nil (31 March 2016: ₹. Nil).
- **39.** The Company's operations predominantly comprises of export of manufactured garments. Company also deploys its surplus funds in financial activities. Accordingly, garments & finance have been identified as primary basis for segment information. The Company does not have any secondary segment.

	31 March 2017			31 March 2016		
Particulars	Garments	Finance	Total	Garments	Finance	Total
Segment revenue	17,75,25,660	99,06,959	18,74,32,615	23,09,63,433	66,22,921	23,75,86,354
Inter segment revenue						
	17,75,25,660	99,06,959	18,74,32,615	23,09,63,433	66,22,921	23,75,86,354
Segment results	(22,20,098)	99,06,95	76,86,861	1,66,07,012	59,50,631	2,25,57,644
Extraordinary items						



31 March 201		2 31 March 2016		;		
Particulars	Garments	Finance	Total	Garments	Finance	Total
Unallocable corporate office expenses (net)			1,57,28,160			1,26,67,370
Financial expenses			23,98,967			17,03,060
Depreciation	46,98,944		46,98,944	49,46,665		49,46,66
Profit before tax			(1,51,39,209)			32,40,543
Current tax						7,57,152
(Excess)/short provision for tax of earlier years			6,57,330			20,450
Deferred Tax			4,53,217			(3,17,531
Profit after tax			(1,62,49,756)			27,80,47
Segment assets	11,61,61,418	3,85,50,338	15,47,11,757	11,46,21,416	4,03,19,050	15,49,40,46
Unallocable assets			36,77,516			45,33,90
Total assets	11,61,61,418	3,85,50,338	15,83,89,273	11,46,21,416	4,03,19,050	15,94,74,37
Segment liabilities	4,39,54,409		4,39,54,409	2,49,04,432		2,49,04,43
Unallocable liabilities						38,85,32
Total liabilities	4,39,54,409		4,39,54,409	2,49,04,432		2,87,89,75
Other information						
Capital expenditure	66,63,235		66,63,235	1,85,15,347		1,85,15,34
Depreciation	46,98,944		46,98,944	49,46,665		49,46,66
Profit/(loss) on sale of property, plant & equipment	27,641		27,641	12,549		

40. Calculation of EPS (Basic and Diluted)

S.No	Particulars	31 March 2017	31 March 2016
1	Opening No. of Shares	43,00,000	43,00,000
2	Total Shares Outstanding	43,00,000	43,00,000
3	Weighted average number of shares	43,00,000	43,00,000
4	Net Profit attributable to equity share holders	(1,62,49,756)	27,80,472
5	Basic and Diluted EPS	₹.(3.78)	₹.0.65

41. During the year, the company had specified bank notes (SBNs) or other denomination noted as defined in the MCA notification, G.S.R. 308E, date March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30 2016, the denomination-wise SBNs and other notes as per the notification are as follows:



Particulars	Garments	31 March 2017	31 March 2016
Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on Nov 8, 2016	1,13,900	5,31,102	6,45,002
Add: Permitted receipts	-	8,86,233	8,86,233
Less: Permitted payments	-	7,17,777	7,17,777
Less: Amount deposited in Banks	1,13,900	-	1,13,900
Closing cash in hand as on Dec 30, 2016	-	6,99,558	6,99,558

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated November 8, 2016.

42. The company has re classified/regrouped/rearranged the previous year figures wherever necessary.

As per our attached report of even date. For M/s T D JAIN AND D I SAKARIA Chartered Accountants firm registration no: 002491S For and on behalf of the Board of Directors Spice Islands Apparels Limited

Umesh Katre Chairman & Managing Director

Ashok G. Daryanani Director & Chairman Audit Committee

Rohan Katre Chief Financial Officer

Pravin Kokam cer Company Secretary

Place: Mumbai Date : 29.5.2017

DHANPAL I SAKARIA Partner M.No: 213666 Place: Bangalore

Date : 29.5.2017



FORM NO. MGT - 12

Polling Paper

[Pursuant to section 109 (5) of the Companies Act, 2013 and rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : SPICE ISLANDS APPARES LTD. (CIN:L17121MH1988PLC05019)

Registered Office : Unit No.43-48, Bhandup Industrial Estate, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.

Date of Annual General Meeting : 26th September, 2017

BALLOT PAPER

Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal Address	
3	Registered Folio No. / * Client ID No. (*Applicable to investors holding share in dematerialized form)	
4	Class of share	EQUITY

I hereby exercise my vote in respect of Ordinary resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of Shares held by me	lassent to the resolution	I dissent from the resolution
	ORDINARY BUSINESS			
1	Consider and Adopt : Audited Financial Statement Report of the Board of Directors and Auditors			
2	Appointment of Auditors and fixing their remuneration			

	SPECIAL BUSINESS
3	Appointment of Mr. Radhakrishnan Nair as a director liable to retire by rotation
4	Appointment of Mr. Radhakrishnan Nair as Executive Director for a period of three years with effect from 8th November, 2016
5	Re-appointment of Mrs. Seema U. Katre as Whole Time Director for a period of three years with effect from 12th November, 2016
6	To determine the fees to be charged to members for submitting a copy of any document.

If Proxy

Name of proxy holder

signature of proxy holder

Place : Mumbai Date : September 26, 2017 Signature of the Shareholder



ATTENDANCE SLIP

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

SPICE ISLANDS APPARELS LIMITED CIN:L17121MH1988PLC05019

Registered Office:Unit 43-48, Bhandup Industrial Estate, L.B.S. Marg, Bhandup, Mumbai - 400078. Tel: 67400800 Fax: 22826167 E-mail: sales@spiceislansindia.com

Registered Folio No./DP ID No. / Client ID No.	
Name and address of the Member(s)	
Joint Holder 1	
Joint Holder 2	
Number of Shares held:	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company at M.C. Ghia hall, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, (Behind Prince of Wales Museum), Kala Ghoda, Mumbai – 400 001 on Tuesday, 26th September, 2017 at 10.30 a.m.

Name of the member / proxy

Signature of member / proxy

Note:

1. Please fill up the attendance slip and hand it over at the entrance of the meeting hall.

2. Members are requested to bring their copies of the Annual Report to the AGM.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL

EVSN (Electronic Voting Sequence Number)	*Default PAN

*Only Member who have not updated their PAN with Company / Depository Participant shall use default PAN in the Pan field.

Note: Please read the instructions printed in the Notice of 29th Annual General Meeting dated 26th September, 2017. The Voting period starts from Saturday, 23rd September, 2017 at 10.00 am and ends on Monday, 25th September, 2017 at 5.00 pm. The voting module shall be disabled by CDSL for voting thereafter.



SPICE ISLANDS APPARELS LTD.

CIN: L17121MH1988PLC05019

Registered Office : Unit 43-48, Bhandup Industrial Estate, L. B. S. Marg, Bhandup, Mumbai-400078

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rules, 2014]

Name of the Member(s) :	e-mail Id :
Registered address:	Folio No / Client Id :
	* DP Id :

I/We,	Being the member(s) of	shares of Spice	Islands Apparels Ltd., hereby appoint :
1)	of	having e-mail id	or failing him
2)	of	having e-mail id	or failing him
3)	of	having e-mail id	

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Tuesday, September 26, 2017 at 10.30 a.m. at M.C. Ghai Hall,Bhogilal Hargovindas Building,18/20 K.Dubash Marg, (Behind Prince of Wales Museum) Kala Ghoda, Mumbai-400 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

** I wish my above Proxy to vote in the manner as indicated in the box below :

R	Resolutions		Against
1.	Consider and Adopt : Audited Financial Statement, Report of the Board of Directors and Auditors		
2.	Appointment of Auditors and fixing their remuneration		
3.	Appointment of Mr. Radhakrishnan Nair as director liable to retire by rotation		
4.	Appointment of Mr. Radhakrishnan Nair as Executive Director for a period of three years effective 8th November, 2016		
5.	Re-appointment of Mrs. Seema U. Katre as Whole Time Director for a period of three years effective 12th November, 2016		
6.	To determine the fees to be charged to members for submitting a copy of any document.		

Signed this _____ day of _____ 2017

Affix a Rs. 1 Revenue Stamp

Signature of Shareholder

Signature first proxy holder

Signature second proxy holder

Signature Third proxy holder



Notes :

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of member not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting right may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) This is only optional. Please put a "X" in the appropriate column against the resolution indicated in the Box. If you leave the "For" or "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



SPICE ISLANDS APPARELS LTD.

125-A, Mittal Tower, 12th Floor, 210, Nariman Point, Mumbai - 400 021