



SPICE ISLANDS APPARELS LTD.



26th Annual Report
2013-2014

25th Anniversary



Bhalchandra Deolekar receiving a momento from Mr. Umesh Katre, Managing Director on completion of 25 years of selfless service.





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TWENTY SIXTH ANNUAL GENERAL MEETING

Day : Wednesday
 Date : 24th September 2014
 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 Directors



BOARD OF DIRECTORS

Chairman & Managing Director

UMESH KATRE

Whole-time Director

SEEMA KATRE

Director

ASHOK DARYANANI

CARL DANTAS

CHARUCHANDRA PATANKAR

RAHUL MEHTA

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

CIN No: 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

WEBSITE :

www.spiceislandsapparelslimited.in

FOR LODGING INVESTOR GRIEVANCES :

grievance_redressal@spiceislandsindia.com

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

C-13, Bhandup Industrial Estate, Pannalal Silk Mills Compound, L. B. S. Marg,
Bhandup (W), Mumbai - 400 078.

Ph.: 022- 2596 3838 Fax : 022-2596 2691

E-mail : helpdesk@linkintime.co.in



Notice of Annual General Meeting



Notice is hereby given that Twenty Sixth Annual General Meeting of the members of SPICE ISLAND 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 Wednesday, 24th day of September, 2014 at 10.30 a.m. to transact the following business:

Ordinary Business.

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. 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 THAT M/S. T. D. Jain and D I Sakaria Chartered Accountants (Registration No. 002491S) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business.

4. To appoint Mr. Carl V. Dantas (DIN:00985087) as an Independent 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 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, that Mr. Carl V. Dantas (DIN:00985087), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years that is for the period April 1, 2014 to March 31, 2019."

5. To appoint Mr. Ashok G. Daryanani (DIN:01175337) as an Independent 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 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, that Mr. Ashok G. Daryanani (DIN:01175337), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years that is for the period April 1, 2014 to March 31, 2019."

6. To appoint Mr. C.G. Patankar (DIN:00136573) as an Independent 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:**



Notice of Annual General Meeting



“RESOLVED pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement), that Mr. C. G. Patankar (DIN:00136573), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years that is for the period April 1, 2014 to March 31, 2019.”

7. To appoint Mr. Rahul L. Mehta (DIN:00047747) as an Independent 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 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement), that Mr. Rahul L. Mehta (DIN:00047747), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years that is for the period April 1, 2014 to March 31, 2019.”

8. To re-appoint Mrs. Seema U. Katre (DIN: 00196783) 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 a **Special Resolution**:

“RESOLVED in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), that approval of the Company be as is hereby accorded to the re-appointment of Mrs. Seema U. Katre (DIN NO. 00196783) as Whole Time Director of the Company, for a period of 3 (three) years with effect from November 12, 2013, on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mrs. Seema U. Katre, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. Authority to the Board of Directors to create charges on the assets of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force, that the consent of the Company be and is hereby accorded to the Board of Directors (herein after called “the Board”) which terms shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or person(s) to mortgage and / or charge any of its movable and/or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage and/or charge, on such terms and condition at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company’s any one or more of the undertaking or all of the undertakings of the Company in favor of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for



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amount not exceeding Rs. 25 Crore (Rupees Twenty Five Crore) over and above the aggregate of the paid up share capital and free reserves of the Company.”

“**RESOLVED FURTHER THAT** the Securities to be created by the Company as aforesaid may rank prior/ paripassu / subservient with/ to the mortgages and / or charges already created or to be created by the Company as may be agreed to between the concerned parties.”

10. Authority to Board of Directors to borrow in excess of paid up share capital and free reserves and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED** pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), that the consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time apart from temporary loans obtained / to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs. 25 Crore (Rupees Twenty Five Crore) over and above the aggregate of the paid up share capital and free reserve of the Company.”

11. Increasing the limits to make loans or investment and to give guarantee or to provide security in connection with a loan made under section 186 of Companies Act, 2013. Accordingly to consider and if though fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

“**RESOLVED** pursuant to Section 186 of the Companies Act, 2013 , and other applicable provisions, rules and schedules , if any, including any statutory modification(s) / amendment(s) / revision(s) thereof or any other law, as may be applicable (hereinafter referred to as “the Act”), and/or any other approvals, as may be required that the consent of the members be and is hereby accorded to the Board of Directors to make any loans or investments and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, a body corporate as the Board of Directors may think fit, for an amount not exceeding Rs. 25 Crore (Twenty Five Crore) as detailed in the attached explanatory statement, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of Companies Act, 2013 as in their absolute discretion deem beneficial and in the interest of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Companies.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors of the Company and/or Committee of directors constituted for this purpose be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regards to the proposed investments or loans made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection herewith.”

12. To approve the remuneration payable to the Cost Auditors for the financial year ended March 31, 2014 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2014, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

13. To approve the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:



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“RESOLVED pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

14. To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), that the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

15. Delisting of Equity Shares from Ahmedabad and Pune Stock Exchange. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**.

“RESOLVED subject to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India (delisting of Securities) Guideline, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”), consent is hereby accorded to the Board to seek voluntary delisting of the Company’s Equity Share from The Stock Exchange, Ahmedabad and Pune Stock Exchange Limited.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps in this regard to comply with all the legal and procedural formalities and further to authorize any of its Director(s) or Officer(s) to do all such acts, things and deeds as may be necessary, to give effect to this Resolution.”

16. Buy Back of Shares – Enabling Provision. To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT subject to all applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Director of the Company (herein after referred to as the “Board”), the consent of the Company be and is hereby accorded to the Board to acquire/purchase any of its own fully paid Shares on such terms and conditions and up to such limits as may be prescribed by law from time to time; Provided that acquisition/purchase of such fully paid Equity shares of the Company be not construed as reduction of Equity Share Capital which is subject to the controls as stipulated in provisions of the Companies Act, 2013, for the time being in force and that the Board of Directors of the Company be and is hereby authorized to do all such acts and things as may be necessary or proper to implement this resolution”

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

PLACE : MUMBAI
DATE : 28th May, 2014.

UMESH M. KATRE
(Chairman & Managing Director)



Notes



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 should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

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. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. 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.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Administrative Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. (a) The Company has notified closure of Register of Members and Share Transfer Books from Monday 15th September, 2014 to Wednesday, 24th September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
(b) The Dividend on Equity Shares, if declared at the Meeting will be credited / dispatched between September 30, 2014 and October 7, 2014 to those members whose names shall appear on the Company's Register of Members on 15th September, 2014; in respect of the shares held in de-materialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Link Intime India Private Ltd. (Link) can not act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Link Intime.
11. 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.



Notes



12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
13. 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 for consolidation into a single folio.
14. 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.

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 : 28th May, 2014.

UMESH M. KATRE
(Chairman & Managing Director)