



SPICE ISLANDS APPARELS LTD.

31st
ANNUAL REPORT
2018-2019

Map and Directions of the venue





INDEX

1) Board of Directors	2
2) Notice of Annual General Meeting	3-14
3) Director's Report	15-38
4) Independent Auditor's Report on Financial Statements	39-45
5) Balance Sheet	46
6) Statement of Profit and Loss	47
7) Cash flow Statement	48
8) Significant Accounting Policies / Notes to Financial Statements	49-83

31st ANNUAL GENERAL MEETING

Day : Saturday
 Date : 28th Sept., 2019
 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

Chairman & Managing Director

UMESH KATRE

Whole-time Director

SEEMA KATRE

Director

NILESH SHEVADE

(Appointed as an additional Director w.e.f 13-08-2019)

NEERAJ DESAI.

(Appointed as an additional Director w.e.f 10-04-2019)

RADHAKRISHNAN NAIR

(Resigned as a Executive Director w.e.f 10-04-2019

and

(As a Director w.e.f 29-05-2019)

ASHOK DARYANANI

(Ceased to be a Director w.e.f 31-03-2019)

CHARUCHANDRA PATANKAR

(Ceased to be a Director w.e.f 31-03-2019)

RAHUL MEHTA

(Ceased to be a Director w.e.f 31-03-2019)

ROHAN KATRE

(Resigned as a Director and Executive Director w.e.f 14-02-2019)

Chief Financial Officer

ROHAN KATRE

Company Secretary

PRAVIN KOKAM

Bankers

VIJAYA BANK

Auditors

M/s. NSVM & Associates (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.

Corporate Identification Number: L17121MH1988PLC050197

WEBSITE : www.spiceislandsapparelslimited.in

Tel.: 61992900 Email: sales@spiceislandsindia.com

CORPORATE OFFICE

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

Tel.: 67400800 Fax : 22826167

FACTORY

S. F. No. 287, Kuthampalayam,
Thirumurgan Poondi (P. O.), P. N. Road,
Tirupur - 641 652.
Tel.: 0421-2350492/3

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 Thirty First 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 Saturday, 28th day of September, 2019 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 31st, 2019, the reports of the Board of Directors and Auditors thereon.
2. To ratify appointment of M/s. NSVM & Associates, Chartered Accountants as statutory auditors 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the Twenty Ninth Annual General Meeting appointing M/s. NSVM & Associates, Chartered Accountants, Mumbai (Registration No. 010072S) as Statutory Auditors of the Company to hold office until the conclusion of Thirty Fourth Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. NSVM & Associates, as Statutory Auditors of the Company for the financial year ending 31st March, 2020 on such remuneration as shall be fixed by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.”

SPECIAL BUSINESS:

3. To appoint Mr. Neeraj Desai (DIN : 03184375) as Additional 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 THAT pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Neeraj Madhukar Desai (holding DIN 03184375) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.



Notice of Annual General Meeting

“**RESOLVED FURTHER THAT** 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 and expedient to give effect to this resolution.”

4. To appoint Mr. Nilesh Shevade (DIN : 03184426) as Additional 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 THAT** pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Nilesh Shyam Shevade (holding DIN 03184426) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

“**RESOLVED FURTHER THAT** 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 and expedient to give effect to this resolution.”

5. To re-appoint Mr. Umesh M. Katre as Managing 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 THAT** pursuant to the provision of Section 196, 197 and 203 read with schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 and (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required, consent of members of the Company be and is hereby accorded for re-appointment of Mr. Umesh Katre(DIN 00196300), as Managing Director of the company for a period of 3 years with effect from November 1, 2018 to October 31, 2021 (Both days inclusive) and for payment of remuneration as per the terms and conditions set out below”;

Terms of Appointment

Mr. Umesh Katre (DIN: 00196300) re-appointed as Managing Director of the Company for a period of 3 (Three) years with effect from November 1, 2018 to October 31, 2021 (Both days inclusive) at a remuneration not exceeding Rs. 81,00,000/- (Rupees Eighty One lakhs Only) Per annum (including remuneration to be paid in the event of any loss, absence or inadequacy of profit during his term).

Additional terms

The remuneration is inclusive of salary and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement, leave travel concession for self and family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of directors.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any Rule, perquisites and allowances shall be evaluated at actual cost.



Notice of Annual General Meeting

Benefits under the Provident Fund Scheme, the Company's Pension/ Superannuation Fund Scheme in accordance with the Company's rule and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites the extend these either singly or put together are not taxable, under the Income Tax Act, 1961. Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

"RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year during the currency of the tenure of Mr. Umesh Katre as Managing Director of the Company, the company incurs loss or its profits are inadequate, the Company shall pay to Mr. Umesh Katre by way of salary, allowance and perquisites not exceeding the limits specified in Schedule V of the Companies Act, 2013 as amended from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute such deeds, documents and writing and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable for giving effect to the foregoing resolution and to settle any question, or doubt that may arise in relation thereto."

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

PLACE : MUMBAI
DATE : 13th August, 2019.

SEEMA UMESH KATRE
(Whole Time 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, 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 entitled to vote.
6. 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.
7. The Company has notified closure of Register of Members and Share Transfer Books from Friday, 20th September, 2019 to Saturday, 28th September, 2019 (both days inclusive)
8. (i) Those members who have not encashed their dividend warrants for the financial year 2011-12 or any subsequent financial years are requested to return the time barred dividend warrants or forward their claims to the Company for issue of Bankers' Cheque / Demand Draft in lieu thereof.
(ii) Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the financial year 2011-12 and thereafter which shall remain unclaimed/unpaid for a period of 7 (Seven) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education & Protection Fund (IEPF). Accordingly, during September, 2019, the Company would be transferring such unclaimed or unpaid dividend for the financial year ended 31 March, 2012. Members are therefore requested to make claim thereof, before August, 2019.
The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules) now additionally mandate transfer of corresponding shares as well, to the IEPF, regarding which individual notices, newspaper advertisement and information on website of Company are being given to shareholders. Such Shares shall be credited to demat account of IEPF authority within prescribed date. Anybody whose dividends and corresponding shares are thus involved may immediately contact the Company Secretary.
(iii) Pursuant to the said provisions unclaimed/unpaid dividend for the financial year upto 2010-11 have been transferred to the Investor Education and Protection Fund.
9. Pursuant to the provisions of IEPF Rules the Company has uploaded the information in respect of the unclaimed dividends of the financial years from 2008-09 to financial year 2015-16, as on date of the 30th Annual General Meeting held on 26th September, 2018 on the website of the IEPF viz. www.iepf.gov.in



Notes

10. SEBI Regulations has mandated Companies to credit Dividend electronically to the Members' bank account. Shareholders holding shares, whether in Physical or Demat form should inform to the Company and the Depository Participant's (DP), as the case may be their Bank Name, A/c No., A/c Type, Branch name, MICR Code along with their Name and Folio Number (DP-ID/Client ID). Those Members who have earlier provided the above information should update the details, as soon as changes take place.
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.
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 (Registrar and Share Transfer Agent) 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.
15. 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, 2019 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, 2019, 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 Wednesday, September 25th, 2019 at 10.00 a.m. and will end on Friday, September 27th, 2019 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, 2019 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



Notes

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, 2019.
- (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 Wednesday, September 25th, 2019 at 10.00 am and ends on Friday, September 27th, 2019 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 19th, 2019 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.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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 OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction [ix(e)].