



SPICE ISLANDS APPARELS LTD.

(Govt. Recognised Export House)

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

CIN NO: L35101MH1988PLC050197

Date: February 28, 2024

To
The Manager (Listing)
Bombay Stock Exchange Ltd.,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001

Script Code: 526827

Sub: Notice of Postal Ballot.

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Postal Ballot Notice.

In compliance with the relevant circulars issued by Ministry of Corporate Affairs, the said Notice has already been sent through electronic mode to those members whose e-mail IDs are registered with the Company/ Depositories as on Friday, February 23, 2024, being the cut-off date.

The Company has engaged CDSL to provide e-Voting facility to its members. The e-Voting period commences on Thursday, February 29, 2024 from 9:00 A.M. (IST) and ends on Friday, March 29, 2024 at 5:00 P.M. (IST). Please note that communication of assent or dissent of the members would only take place through the e-Voting. The instructions for remote e-Voting are provided in the Postal Ballot Notice.

The Board of Directors has appointed Mr. Alok Khairwar, Practicing Company Secretary, (Membership No. FCS - 10031), as a Scrutinizer for conducting the Postal Ballot through e-voting process in accordance with the law and in a fair and transparent manner.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully

For Spice Islands Apparels Limited,

Surbhi Pachori
Company Secretary

Place: Mumbai



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REVISED TENTATIVE CALENDAR OF EVENTS FOR POSTAL BALLOT PROCESS

Sr. no	Particulars	Date
1	Date of Board Resolution authorizing the Director(s) and the Company Secretary to be responsible for the entire Postal Ballot process	13-02-2024
2	Specified date for determining members to whom Postal Ballot Notice will be sent	23-02-2024
3	Date of completion of dispatch of Notice by electronic means	28-02-2024
4	Date of publishing Advertisement in Newspaper	29-02-2024
5	Date of Commencement of voting by Electronic Mode	29-02-2024
6	End date of voting by Electronic Mode	29-03-2024
7	Date on which Resolution will be deemed to be passed	29-03-2024
8	Date of submission of the Report by the Scrutinizer	On or before 31-03-2024
9	Date of declaration of the result by the Chairman	31-03-2024
10	Last date of signing of Minutes by the Chairman	29-04-2024



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POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given that pursuant to Section 110 read with Section 108 of the Companies Act, 2013 (the “**Companies Act / the Act**”), read with the Companies (Management and Administration) Rules, 2014 (the “**Rules**”) including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and other applicable provisions, if any of the Act, read with General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, General Circular No. 11/2023 dated December 28, 2022 and General Circular No. 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (the “**MCA Circulars**”) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, Spice Islands Apparels Limited (the “**Company / SIAL**”) is seeking the consent of its Members by way of Ordinary/Special Resolutions for the matters more specifically provided in the appended resolutions proposed to be passed through Postal Ballot by way of remote e-voting.

In compliance with the requirements of the MCA Circulars, the Company will send Postal Ballot Notice along with explanatory statement and Postal Ballot Form by email to all its Members who have registered their email addresses with the Company or Depository / Depository Participants and the communication of assent / dissent of the Members will take place through the remote e-voting system. The physical Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will therefore not be sent to the Members for this Postal Ballot.



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The Board of Directors of the Company at its Meeting held on Tuesday, February 13, 2024, have approved the businesses, as set out in this Notice, for approval of the Members of the Company through Postal Ballot. Accordingly, the proposed resolutions and the explanatory statement thereto are annexed herewith for your consideration, and you are requested to record your assent or dissent by means of Postal Ballot or remote e-voting facility provided by the Company.

Members may note that, in accordance with the provisions of Sections 108 and 110 of the Companies Act, 2013 and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, and the Secretarial Standards issued by the Institute of Company Secretaries of India read with Regulation 44 of the Listing Regulations, the Company is pleased to provide its Members the facility to exercise their right to vote by electronic means and the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited (“CDSL”).

The e-voting facility will be available from 9:00 a.m. (IST) on Thursday February 29, 2024 to 5:00 p.m. (IST) on Friday, March 29, 2024. The e-voting module shall be disabled by CDSL for voting thereafter. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Friday, February 23, 2024, may cast their vote electronically. Please read and follow the instructions on e-voting enumerated in the notes to this Notice.

Mr. Alok Khairwar, Practicing Company Secretary, (Membership No. FCS 10031) have been appointed as the Scrutinizers to scrutinize the Postal Ballot/E-voting process in a fair and transparent manner.

You are requested to carefully read the instructions provided in the Postal Ballot Notice and record your assent or dissent by means of remote e-voting facility provided by the Company from 9:00 a.m. (IST) on Thursday February 29, 2024 to 5:00 p.m. (IST) on Friday, March 29, 2024. No remote e-Voting will be allowed after said date and time. The Scrutinizer shall submit his report to the Chairman or any person duly authorized by him after completion of the Scrutiny of the Postal Ballot e-voting. The results of Postal Ballot will be announced on or before March 31, 2024 and will also be posted on the Company's website <https://www.spiceislandsapparelslimited.in/> and on the concerned stock exchange website.



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SPECIAL BUSINESS:

Item No. 1: To set the borrowing limits of the Company:

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 provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules made thereunder (including any statutory modifications or re-enactments for the time being in force), consent of the members of the company be and is hereby accorded to the board of directors of the company for borrowing from time to time any sum or sums of monies, as it may be considered fit for the business of the Company on such terms and conditions as it may deem fit and expedient in the interests of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company, its free reserves (that is to say, reserves not set apart for any specific purpose) and securities premium provided that the maximum amount of monies so borrowed or to be borrowed by the Company (apart from temporary loan so obtained or to be obtained from the Company’s bankers in the ordinary course of business) shall not at any given point of time to exceed the sum of Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only).

RESOLVED FURTHER THAT, the Directors of the Company, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including filing of the necessary forms with the Registrar of Companies, Mumbai and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company.”

Item No. 2 - To approve the existing Loan of Rs. 62,50,000/- due for payment on 31st March 2024 i.e on completion of its tenure to unsecured Loan with option to Convert into equity u/s 62, of the Companies Act, 2013



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Fotoset Trading Private Limited Majority Shareholder holding 62.50 % of Shares in Company have earlier given Inter Corporate Deposit to Company for Amounting Rs. 62,50,000/- till March 31, 2024

Now with the Expansion Plan Company is Need of Funds and have requested the Fotoset Trading Private Limited to Renew or extend the Said ICD and also to infuse More funds in form of Debts or Equity or Convertibles which may be more beneficial to both the Companies and Stakeholders as whole

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

“RESOLVED THAT pursuant to Section 62 (3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and in accordance with the Memorandum and Articles of Association of the Company and applicable regulations and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s) or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), on the terms and conditions contained in the financing documents, such terms and conditions to provide, inter alia, to convert the unsecured loan of Rs. 62,50,000 obtained from corporate entity under the financing documents executed in respect of the financial assistance which have already been availed under the lending arrangements with corporate entity, (hereinafter collectively referred to as the “Creditor”), at the option of the Creditors, the unsecured loans (hereinafter referred to as the “Intercompany Deposit”), into fully paid up equity shares of the Company on such terms and conditions as may be stipulated in the financing documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Creditors (or their agents or trustees) to the Company (hereinafter referred to as the “Notice of Conversion”) and in accordance with the following conditions:

(i) the conversion right reserved as aforesaid may be exercised by the Creditors on one or more occasions during the currency of the Financial Assistance;

(ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number



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of fully paid-up equity shares to the creditors or any other person identified by the creditors as from the date of conversion and the creditors may accept the same in satisfaction of the part of the loans so converted;

(iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment instalments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the creditors or such other person identified by the creditors shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank pari passu with the existing equity shares of the Company in all respects.

(iv) In the event that the creditors exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the creditors as a result of the conversion, and list the shares in the Stock exchanges where Company's shares are presently listed and for the said purpose the Company shall take all such steps as may be necessary to ensure that the equity shares are listed in the Stock Exchanges.

(v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the terms and conditions for raising the Financial Assistance, from time to time, with an option to convert the unsecured loan into equity shares of the Company any time during the currency of the unsecured loan, on the terms specified in the financing documents, including upon happening of an event of default by the Company in terms of the loan arrangements.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue, offer and allot from time to time to the creditors such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the creditors.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the creditors arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to this resolution.



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RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection with or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution.”

Item No. 3 To approve to avail the unsecured Loan with option to convert in equity u/s 62, of the Companies Act, 2013.

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

“RESOLVED THAT pursuant to Section 62 (3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and in accordance with the Memorandum and Articles of Association of the Company and applicable regulations and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s) or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), on the terms and conditions contained in the financing documents, such terms and conditions to provide, inter alia, to avail unsecured Loan with Option to convert in equity for not exceeding Rs. 10,00,00,000 (Ten Crore Only) in one or more Tranches as and when required by the company under the financing documents to be executed in respect of the above financial assistance from Fotoset Trading Private Limited (hereinafter collectively referred to as the “Creditor”), at the



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option of the Creditors, the unsecured loans (hereinafter referred to as the “Intercorporate Deposit”), into fully paid up equity shares of the Company on such terms and conditions as may be stipulated in the financing documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Creditors (or their agents or trustees) to the Company (hereinafter referred to as the “Notice of Conversion”) and in accordance with the following conditions:

(i) the conversion right reserved as aforesaid may be exercised by the Creditors on one or more occasions during the currency of the Financial Assistance;

(ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the creditors or any other person identified by the creditors as from the date of conversion and the creditors may accept the same in satisfaction of the part of the loans so converted;

(iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment instalments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the creditors or such other person identified by the creditors shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank pari passu with the existing equity shares of the Company in all respects.

(iv) In the event that the creditors exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the creditors as a result of the conversion, and list the shares in the Stock exchanges where Company’s shares are presently listed and for the said purpose the Company shall take all such steps as may be necessary to ensure that the equity shares are listed in the Stock Exchanges.

(v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the terms and conditions for raising the Financial Assistance, from time to time, with an option to convert the unsecured loan into equity shares of the Company any time during the currency of the unsecured loan,



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on the terms specified in the financing documents, including upon happening of an event of default by the Company in terms of the loan arrangements.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue, offer and allot from time to time to the creditors such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the creditors.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the creditors arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection with or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution.”

Item No. 4: To approve related party transactions: To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

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 provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 read with the Rules made



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thereunder and other applicable laws, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), on the basis of recommendation and approval of the Audit Committee and the Board of Directors of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into contract(s)/ arrangement(s)/ transaction(s) with parties as detailed in the table(s) forming part of the Explanatory Statement annexed to this notice with respect to borrowing or to sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services including the providing and/or receiving of loans or guarantees or securities or making investments, allotting Securities/equity or any other transactions of whatever nature, notwithstanding that such transactions may exceed 10% of the Consolidated Turnover of the Company in any financial year or such other threshold limits as may be specified by the Listing Regulations from time to time, up to such extent and on such terms and conditions as the Board of Directors may deem fit, in the normal course of business and on arm’s length basis, within the aggregate limits and during the financial years as mentioned in the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

Item No. 5: To change/alter/addition of ancillary clause of the Memorandum of Association of the Company.

To consider and if though fit to pass with or without modification(s) following resolution as a Special Resolution.

“**RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act 2013 including any



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amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, and subject to any modification suggested by Registrar of Companies, Mumbai, the following new clauses be added to existing clauses of incidental or ancillary clause of Memorandum of Association of the Company by inseting Clause no. 56 after the existing Clause no. 55 under "III (B) The Objects Incidental or Ancillary to the attainment of the main objects are" as follows:

(III) (B) & 56. Manufacturing, Trading & Processing of all kind of Branded/ Non-Branded Food & Beverage Products including but not limited to Mineral Water, Packaged Drinking Water, Sodas & flavored Sodas, Aerated Waters, Flavored Drinks, Cold Drinks, Sparkling Water, Tonic Water, Processed Fruit Juice and Beverages, Non-Alcoholic Beverages, Grains, Pulses, Cereals, Dal and Agro Products, Edible Oil, Dry fruits, Nuts, Special Nutrient Products, Farsan, Namkeen & Wafers, Spices, Milk & Milk Products, Butter, Dairy Products, Herbal Products, Mouth fresheners, Chocolate & Chocolate Products, Coco Products, Sugar Boiled Confectioneries & Toffies, Wellness Products, Tea, Coffee, Bakery Products, Flour, Ready to Cook Food Products, Ready to Cook Food Products, etc.

Item No. 6: To enter into new business to purchase the business of Food and Beverages including soft drinks and related products.

To consider and if though fit to pass with or without modification(s) following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and the rules and regulations and other applicable provisions and rules thereto, consent of the members of the company be and is hereby accorded to the Company to enter into new business to purchase the business of soft drinks and related products and enter in agreement with Dhanik food & Beverages Private Limited including but not limited to purchase of technology/recipe/formulas, trademark, corporate logo and all the licences and any other documentation to enter and run such business of the company.

RESOLVED FURTHER THAT Mr. Sandeep Merchant, Director of the Company be and is hereby authorized to sign and execute all Agreements or any other documents with Dhanik food & Beverages Private Limited on behalf of the Company, in relation to the purchase of new business of soft drinks and related products as may be necessary or requisite on behalf of the Company and any modifications agreed to therein and to do all such



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things as may be required in connection therewith and that such agreements shall be binding of the Company.”

Item No. 7: To give Loans or Invest Funds of the Company in Excess of the Limits Specified under Section 186 of the Companies Act, 2013.

To consider and if though fit to pass with or without modification(s) following resolution as a Special Resolution.

“**RESOLVED THAT** pursuant to the provisions of the Section 186 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall deemed to include any Committee which Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) to make investment and acquire by way of subscription, purchase or otherwise the securities of any other body corporate, upto a maximum aggregate amount of Rs. 50 crores, outstanding at any point of time, over and above the permissible limits under Section 186(2) of the Companies Act, 2013 (presently being 60 percent of the Company’s paid up capital, free reserves and securities premium account or one hundred percent of the Company’s free reserves and securities premium account, whichever is more).

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment and varying the same either in part or in full as it may deem appropriate and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to this resolution”.

Item No. 8: To consider and approve the Appointment of Mr. Dhaval Chheda as the Chief Executive Officer of the Company only for the F & B Business Segment and payment of remuneration thereof and, in this regard, pass the following resolution as a Special Resolution.

To consider and if though fit to pass with or without modification(s) following resolution as a Special Resolution.



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“RESOLVED THAT pursuant to the provisions of Sections 2(18), 203 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof), the approval of the members be and is hereby accorded for the appointment of Mr. Dhaval Chheda as the Chief Executive Officer of the Company only for the F & B Business Segment on the terms and conditions including remuneration as set out in the statement annexed to the Notice of this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/ or remuneration based on the recommendation of the Nomination & Remuneration Committee, mutually agreed upon by the Board and Mr. Dhaval Chheda.

RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required, settle any/or all questions/ matters arising with respect to the above matter including filing of requisite forms / returns/ applications with the Registrar of Companies or other regulatory authorities and to approve the execution of all such documents, instruments and writings as may be necessary in connection with the foregoing and to delegate all or any of its powers hereby conferred to a Committee constituted by the Board or to any of the officials or employees of the Company from time to time with power to the said Committee to further delegate its powers to any of its members or to any officials or employees of the Company.”

**By Order of the Board of Directors
Spice Island Apparels Limited**

**Sd/-
Umesh Mohan Katre
Director
DIN: 00196300**

**Place: Mumbai
Date: February 28, 2024
Registered Address
Unit 3043-3048, 3rd Fl,
Bhandup Industrial Estate
Pannalal Silk Mills Compd, L.B.S.
Marg, Bhandup-W Mumbai, 400078
Tel No.: +91 (22) 6740 0800, 2282 3128
Emai-id - khedekar@spiceislandsindia.com**



SPICE ISLANDS APPARELS LTD.

(Govt. Recognised Export House)

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

CIN NO: L35101MH1988PLC050197

NOTES:

1. The relevant Explanatory Statement pursuant to the provisions of Section 102, 110 of the Act, read with Rule 22 of the Rules each as amended, setting out the material facts relating to the aforesaid Resolutions and the reasons thereof is annexed hereto and forms part of this Notice.

2. In terms of the requirements provided vide the MCA Circulars, the Company is sending this Notice only in electronic form to those Members, whose names appear in the Register of Members/List of Beneficial Owners as received from the Depositories/ M/s Link Intime India Private Limited, the Company's Registrar and Transfer Agent ('RTA') as on Friday, February 23, 2024 ('Cut-Off Date') and whose e-mail addresses are registered with the Company/RTA/Depositories/Depository Participants (in case of electronic shareholding). The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-Off Date i.e. Friday, February 23, 2024.

3. Only those Members whose names are appearing in the Register of Members / List of Beneficial Owners as on the Cut-Off Date shall be eligible to cast their votes through postal ballot by remote e-voting. A person who is not a Member on the Cut-Off Date should treat this Notice for information purposes only. It is however, clarified that all Members of the Company as on the Cut-Off Date (including those Members who may not have received this Notice due to non-registration of their e-mail addresses with the Company/ RTA/ Depositories) shall be entitled to vote in relation to the aforementioned Resolutions in accordance with the process specified in this Notice.

4. In compliance with the provisions of Section 108 and Section 110 of the Act read with Rules 20 and 22 of the Rules, Regulation 44 of the Listing Regulations, SS-2 and the MCA Circulars, the Company is pleased to provide remote e-voting facility to its Members, to enable them to cast their votes electronically. The detailed procedure with respect to remote e-voting is mentioned in Note no. 16 of this Notice.

5. The remote e-voting shall commence on from 9:00 a.m. (IST) on Thursday February 29, 2024 to 5:00 p.m. (IST) on Friday, March 29, 2024. During this period, Members of the Company holding shares in physical or electronic form as on the Cut-Off Date may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.



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6. The Resolutions, if passed with requisite majority through Postal Ballot, will be deemed to be passed on the last date specified for remote e-voting i.e. Friday, March 29, 2024.

7. The Board of Directors has appointed Mr. Alok Khairwar, Practicing Company Secretary, (Membership No. FCS 10031), as the Scrutinizer to scrutinize the postal ballot process in fair and transparent manner.

8. The Scrutinizer will submit his report after scrutiny of the votes cast, on the result of the Postal Ballot on or before March 31, 2024. The Scrutinizer's decision on the validity of votes cast will be final.

9. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website at <https://www.spiceislandsapparelslimited.in/> and on the website of CDSL at www.evotingindia.com and the same shall be communicated to the Stock Exchanges, where the equity shares of the Company are listed.

10. Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if the same have been passed at a General Meeting of the Members.

11. Members may download the Notice from the Company's website at <https://www.spiceislandsapparelslimited.in/>, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The member whose email address is not registered with the Depositories/RTA/Company, to receive the Notice may send their request at khedekar@spiceislandsindia.com.

12. Dispatch of the Notice and the Explanatory Statement shall be published through an advertisement in one Regional Newspaper, widely circulated in Mumbai (in vernacular language i.e., Marathi) and one English Newspaper circulated throughout India (in English Language) and shall be hosted at the Company's website at <https://www.spiceislandsapparelslimited.in/>.

13. The vote in this Postal Ballot cannot be exercised through proxy.

14. Mr. Sandeep Khedekar, CFO of the Company shall be responsible for addressing all the grievances in relation to this Postal ballot e-voting. His details are as follows: Name: Mr. Sandeep Khedekar Designation: CFO Registered office: Unit 3043-3048, 3rd Fl, Bhandup Industrial Estate Pannalal Silk Mills Compd, L.B.S. Marg, Bhandup-West Mumbai, Maharashtra, India, 400078 Email id: khedekar@spiceislandsindia.com; Phone No.: 8976047639.



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15. Members are requested to intimate about change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited., C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083 through email at enotices@linkintime.co.in or contact on: Tel: 022 – 49186000 in case the shares are held in physical form and to the Depository Participant (DP) in case the shares are held in electronic form.

16. Process to cast votes through remote e-voting: In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(i) Login method for e-Voting for Individual shareholders holding securities in demat mode with CDSL/NSDL:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL Depository	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab.</p> <p>2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the e voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p>



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	<p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is</p>



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	available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in demat	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800



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mode with NSDL	1020 990 and 1800 22 44 30 and 022 - 4886 7000 and 022 - 2499 7000.
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(ii) Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

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

	For Physical Shareholders and other than individual shareholders holding shares in demat
PAN	Enter your 10 digits alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <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.

7. After entering these details appropriately, click on “**SUBMIT**” tab.



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8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach '**Password Creation**' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be 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 person and take utmost care to keep your password confidential.

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

10. Click on the EVSN of the Company on which you choose to vote.

11. 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.

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

13. 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.

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

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

16. 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.

17. There is also an optional provision to upload BR/POA if any, uploaded, which will be made available to scrutinizer for verification.



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(iii) Additional facilities for Non-Individual Shareholders and Custodians- for Remote Voting only

1. Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “**Corporates**” module.

2. A scanned copy of the Registration Form bearing the stamp and sign of the entry should be emailed to helpdesk.evoting@cdslindia.com

3. 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.

4. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

5. It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

6. Alternatively, Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority Letter etc together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer by e-mail at csalokkhairwar@gmail.com, with a copy marked to khedekar@spiceislandsindia.com if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

(iv) Process for those shareholders whose email ids are not registered with the Depositories for procuring user id and password and registration of email ids for e-voting on the resolutions set out in this notice:

a. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company’s Registrar and Share Transfer Agent email id at enotices@linkintime.co.in or contact on: Tel: 022 – 49186000.



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b. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP).

c. **For Individual Demat Shareholders** - Please update your email id & mobile number with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

7. The last date for the receipt of duly completed Postal Ballot Forms and e-voting shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.

8. Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent / Depository Participant(s) for sending future communication(s) in electronic form.

9. A Member need not use all his / her / its votes nor does he / she / it need to cast all his / her / its votes in the same way.

10. The Scrutinizer's decision on the validity of the Postal Ballot voting shall be final.

(v) If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

(vi) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 1,2 and 3

The Company required financial assistance to continue the main objects smoothly and other purposes related to the business. Since taking loan from banks and other financial institution on interest put extra burden on the Company, it was considered that the secured/unsecured loan from the other corporates may be taken upon such terms and conditions as may be stipulated in the financing documents.



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Fotoset Trading Private Limited Majority Shareholder holding 62.50% of Shares in Company have earlier given Inter Corporate Deposit to Company for Amounting Rs. 62,50,000/- till March 31, 2024

Now with the Expansion Plan Company is in need of Funds and have requested the Fotoset Trading Private Limited to renew or extend the Said ICD and also to infuse funds up to Rs. 10,00,00,000 (Rupees Ten Crore Only) in the form of unsecured Loan with option to convertible in equity and accordingly it is proposed to enter/continue to enter into lending arrangements with the Fotoset Trading Private Limited to convert the unsecured loan/Intercompany Deposit of Rs. 62,50,000/- obtained from corporate entity into the Convertible Term Loan, at the option of the Creditors, to convert the unsecured loans/Term Loan into fully paid-up equity shares of the Company and to infuse funds up to Rs. 10,00,00,000 (Rupees Ten Crore Only) in form unsecured Loan with option to convertible in equity on such terms and conditions as may be stipulated in the financing documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Creditors (or their agents or trustees) to the Company (hereinafter referred to as the "Notice of Conversion") and in accordance with the following conditions:

(i) the conversion right reserved as aforesaid may be exercised by the Creditors on one or more occasions during the currency of the Financial Assistance;

(ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the creditors or any other person identified by the creditors as from the date of conversion and the creditors may accept the same in satisfaction of the part of the loans so converted;

(iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment instalments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the creditors or such other person identified by the creditors shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank pari passu with the existing equity shares of the Company in all respects.



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(iv) In the event that the creditors exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the creditors as a result of the conversion, and list the shares in the Stock exchanges where Company's shares are presently listed and for the said purpose the Company shall take all such steps as may be necessary to ensure that the equity shares are listed in the Stock Exchanges.

(v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

In line with the regulatory changes in the recent past, the changes in the Companies Act and in line with various directives issued by Reserve Bank of India, from time to time, and in pursuance of the financing documents of the Company, the Company is required to pass a Special Resolution under Section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder to enable the creditors to convert the outstanding unsecured loan of Rs. 62,50,000/-Indian Rupee, already availed, and fresh Loan up to Rs. 10,00,00,000 (Rupees Ten Crore Only) at their option, into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable laws at the time of such conversion.

Accordingly, the Board recommends the resolution as set forth in the item no. 1 to 3 of the Notice, to enable the creditor, in terms of the lending arrangements, entered/to be entered and as may be specified by the corporate entity under the financing documents already executed in respect of the unsecured loan availed, at their option, to convert the whole or part of their respective outstanding unsecured loan into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

The Company hereby clarifies that this resolution is merely an enabling resolution and there are no proposals of conversion of loan into Equity, either pending or envisaged currently.



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None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be interested/concerned in this resolution, except to their respective shareholdings in the Company, if any.

Item No. 4

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as “the Listing Regulations”), all Related Party Transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the Members of the Company through a resolution and all related parties shall abstain from voting on such resolution.

“Material Related Party Transaction” under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements.

The aforesaid Related Party Transactions do not fall under the purview of Section 188 of the Companies Act, 2013 being in the ordinary course of business and at arms’ length. However, the same are covered under the provisions of Regulation 23 of the SEBI Listing Regulations and accordingly the approval of the Shareholders is sought by way of Special Resolution.

Fotoset Trading Private Limited Majority Shareholder holding 62.50% of Shares in Company have earlier given Inter Corporate Deposit to Company for Amounting Rs. 62,50,000/- till March 31, 2024

Now with the Expansion Plan Company is Need of Funds and have requested the Fotoset Trading Private Limited to Renew or extend the said ICD and also to infuse funds up to Rs. 10,00,00,000 (Rupees Ten Crore Only) in form unsecured Loan with option to convertible in equity and accordingly it is proposed to enter/continue to enter into lending arrangements with the Fotoset Trading Private Limited to convert the unsecured loan/Intercorporate Deposit of Rs. 62,50,000 obtained from corporate entity into the Convertible Term Loan, at the option of the Creditors, to convert the unsecured loans/Term Loan into fully paid-up equity shares of the Company and to infuse funds up to Rs. 10,00,00,000 (Rupees Ten Crore Only) in form unsecured Loan with option to convertible in equity on such terms and conditions as may be stipulated in the financing documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Creditors (or their agents or



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trustees) to the Company (hereinafter referred to as the “Notice of Conversion”) and in accordance with the following conditions:

(i) the conversion right reserved as aforesaid may be exercised by the Creditors on one or more occasions during the currency of the Financial Assistance;

(ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the creditors or any other person identified by the creditors as from the date of conversion and the creditors may accept the same in satisfaction of the part of the loans so converted;

(iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment instalments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the creditors or such other person identified by the creditors shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank pari passu with the existing equity shares of the Company in all respects.

(iv) In the event that the creditors exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the creditors as a result of the conversion, and list the shares in the Stock exchanges where Company’s shares are presently listed and for the said purpose the Company shall take all such steps as may be necessary to ensure that the equity shares are listed in the Stock Exchanges.

(v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

The annual consolidated turnover of the Company for the financial year 2022-23 is Rs. 8,588,414. Accordingly, any transaction(s) by the Company with its related party exceeding INR 8,58,841 (10% of the Company’s annual



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consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same. It is therefore proposed to obtain the Members' approval for the following arrangements/transactions/ contracts which may be entered into by the Company with its related parties from time to time:

Sr. no	Name of Related Party	Nature of Relationship	Nature of Transaction	Amount (INR in Cr,)*
1	Fotoset Trading Private Limited	Related party as per Companies Act, 2013, Accounting Standards and Listing Regulations	Renewal of Inter Corporate Deposit – availed to unsecured Optionally Convertible Loan	Rs. 62,50,000/-
1	Fotoset Trading Private Limited	Related party as per Companies Act, 2013, Accounting Standards and Listing Regulations	Fresh Unsecured Optionally Convertible Loan	Rs. 10,00,00,000/-

*The ceiling on the amounts of the transactions specified as above would mean the transactions entered into and the remaining outstanding at any point of time.

The aforesaid Related Party Transactions do not fall under the purview of Section 188 of the Companies Act, 2013 being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the SEBI Listing Regulations and accordingly the approval of the Shareholders is sought by way of Special Resolution.

The Audit Committee and Board have approved the aforesaid Related Party Transactions at their meetings held on February 13, 2024, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and noted that these transactions shall be in the Ordinary Course of Business and at arm's length basis. With respect to the above matter, the Shareholders/Members are requested to note following disclosures of Interest:



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Sr. no	Name of the Related Party	Nature of Concern or Interest
1	Fotoset Trading Private Limited	Mr. Sandeep Merchant, Wholetime Director of the Company is also the Directors of Fotoset Trading Private Limited. Mr. Sandeep Merchant holds 60% in Fotoset Trading Private Limited as the Promoter of the said Company

Further, in terms of applicable SEBI Circulars the members are requested to take note of the following:

Sr. no	Particulars	Details						
a	A summary of the information provided by the management to the Audit Committee	The details of the proposed transactions including the nature, terms, value percentage of the Company's annual consolidated turnover, tenure and proposed limits etc. were placed to the Audit Committee at its meeting held on February 13, 2024.						
b	Justification for why the proposed transactions is in the interest of the Company	The funds raised through Unsecured optionally convertible Loan will be utilized for meeting the business requirements, and general corporate purposes and investments would be made for maximizing the yield on available surplus funds which is in the interest of the Company.						
c	transaction relates to any loans, Unsecured Optionally Convertible Loan, advances or investments made or given by the listed entity or its subsidiary							
i	nature of indebtedness	Unsecured Optionally Convertible Loan						
ii	Tenure	up to 5 years						
iv	applicable terms, including covenants, tenure, interest rate and repayment schedule,	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Unsecured Optionally Convertible Loan by</th> <th>Loan given by SIAL</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	Unsecured Optionally Convertible Loan by	Loan given by SIAL			
Particulars	Unsecured Optionally Convertible Loan by	Loan given by SIAL						



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	whether secured or unsecured; if secured, the nature of security		SIAL	
		Interest Rate	12% p.a.	NA
		Tenure	Up to 5 years	NA
		Repayment Security (Secured / Unsecured)	Generally Bullet	NA
v	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds.	For the Company: Onward lending, repayment of existing loans and general corporate purpose		

The Board recommends the resolution set out at Item No. 4 of the Postal Ballot Notice to the Members for their consideration and approval, by way of Special Resolution. Except to the extent of shareholding of the Promoters / Directors their Relatives and Key Managerial Personnel in the abovementioned related parties which is duly disclosed above, none of the other Directors/ Key Managerial Personnel/ their Relatives is, in any way, concerned or interested, financially or otherwise in the Special Resolution set out at Item Nos. 4 respectively.

Item No. 5

To provide more clarity and facilitate in attainment of one of the Main Object of the Memorandum of Association (“MOA”) of the Company, It is proposed to insert a specific clause in the MOA by addition in the clause III (B) Matters which are necessary for furtherance of the objects specified in clause III (A) are.

The Members are therefore requested to approve, by passing a special resolution, alteration in the Object Clause of MOA of the Company under “clause III (B) Matters which are necessary for furtherance of the objects specified in clause III (A)”.

The Board of Directors recommend passing of the Special Resolution as contained in the Notice. A copy of the Memorandum of Association of the



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Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

The Company is in a process to open new segments for business in order to mitigate the concentration risk and accordingly proposes to enter into new business to purchase the business of soft drinks and related products and enter in agreement with Dhanik food & Beverages Private Limited including but not limited to purchase of technology/recipe/formulas, trademark, corporate logo and all the licences and any other documentation to enter and run such business of the company subject to approval of Shareholder by special resolution.

The Board has deliberated on the proposal and has approved the following new arrangements:

- i. SPICE will enter into agreement with Dhanik food & Beverages Private Limited to purchase the business of soft drinks and related products and enter in agreement with Dhanik food & Beverages Private Limited including but not limited to purchase of technology/recipe/formulas, trademark, corporate logo and all the licences and any other documentation to enter and run such business of the company.
- ii. DHANIK shall temporarily grant an exclusive right to use ALL the Brands to SPICE under the terms of the agreement entered between the parties.
- iii. SPICE shall pay such amount as Royalty in the form of Equity shares of SPICE to the DHANIK as per the Timelines / Milestones mentioned in the agreement entered between the parties.
- iv. The Board is satisfied that appropriate due diligence has been done and that the new arrangements reflect fair payment to use ALL the Brands of DHANIK. The arrangements are consistent with the Government policy related to the payment of royalty.



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v. Mr. Dhaval Chheda, the Director of the Dhanik food & Beverages Private Limited, has been appointed as CEO of Spice Island Apparels Limited, to run the Food & Beverages business segment of the Company. He shall be responsible only for the F&B business segment and shall not be involved in any other line of business of Company till the life of the Agreement entered between the parties.

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as a Special Resolution.

Except Mr. Dhaval Chheda and his relatives, none of the other Directors or Key Managerial Personnel of the Company or the relatives thereof are concerned or interested financially or otherwise, in this resolution, except to the extent of their shareholding in the Company, if any.

Item No. 7

In terms of the provisions of Section 186 of the Companies Act, 2013 and rules made thereunder, no Company shall directly or indirectly, without prior approval by means of special resolution passed at a general meeting, give any loan to any person or other body corporate or give guarantee or provide security in connection with a loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise the securities of any other body corporate, exceeding 60 percent of its paid up capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

The Company intends to enter into new business to purchase the business of soft drinks and related products and enter in agreement with Dhanik food & Beverages Private Limited including but not limited to purchase of technology/recipe/formulas, trademark, corporate logo and all the licences and any other documentation to enter and run such business of the company.

Hence, consent of the Members is being sought by way of a special resolution to make investment or to give loan/guarantee or provide security to other body corporate upto Rs. 50 crores, in excess of limits specified



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under Section 186 of the Companies Act, 2013, as set out at item No. 5 of this Notice.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 in the notice.

Your directors recommend the resolution as at Item No. 7 for your approval

Item No. 8

The Board of Directors of the Company based on the recommendation of the Nomination & Remuneration Committee, has appointed Mr. Dhaval Chheda as the Chief Executive Officer of the Company only for the F & B Business Segment upon the terms and conditions hereinafter indicated and shall not be involved in any other line of business of Company till the life of the Agreement entered between the parties, subject to approval of the Members.

The Profile and Powers & Responsibilities of Mr. Dhaval Chheda as the Chief Executive Officer of the Company is provided as part of explanatory statement to Item 8 of the notice.

1. Mr. Dhaval Chheda (having PAN - ACMPC2266L) would be the first CEO of SPICE, F&B Business Segment.
2. He shall solely have all the rights & duties mentioned in this EBUA to run the Food & Beverages business segment of the Company. He shall be responsible only for the F&B business segment and shall not be involved in any other line of business of SPICE. He shall not be affected by any non-compliance / litigation etc. on account of other line of business on SPICE and shall be indemnified for any damages or losses from such non-compliance / litigation, if any.
3. He shall act in good faith and in the best interest of the SPICE
4. He shall run, operate and manage entire F&B business segment of SPICE in the interest of SPICE. The Parties agree that there shall be no interference of any other persons except Mr. Dhaval and all the persons appointed by him to run, operate and manage the F&B business segment.



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5. He shall have the right to undertake and enter into all the contracts necessary to run the F&B business segment.
6. He shall have the right & authorized to appoint Key Managerial Positions and any other Vacancies of the F&B business segment.
7. He shall have the right to operate the bank A/c of the F&B business segment solely or jointly with one of the director of SPICE.
8. He shall comply with the laws & regulation applicable to the business.
9. He shall abide by the terms of this EBUA.
10. He shall maintain the books of accounts of the F&B business Segment
11. He shall get Minimum Salary/ Remuneration of Rs. 2,00,000/- per month or such other amount as may be mutually agreed upon between the Parties in writing. The said amount of remuneration shall be irrespective of the fact that there is profit or loss in the F&B business segment of SPICE.
12. He shall have the right to claim reimbursements of travel, lodging and other expenditure incurred by him for the purpose of F & B business segment.
13. Neither Mr. Dhaval Chheda (having PAN - ACMPC2266L) being as CEO of SPICE, F&B Business Segment, nor any of his agents, family members or any related person/s shall do any trade, business, manufacturing or services or any business activity in their name or any of agents, family members or related person/s, regarding all & any kind of Food & Beverages or any such allied or any business during the life of this EBUA.
14. In case of his death, disability or inability to perform in the capacity of the CEO, DHANIK shall appoint some other person to replace his powers and responsibilities to run the F&B business segment
15. He shall abide by the terms of this EBUA

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Dhaval Chheda vast knowledge and varied experience will be of great value to the Company and has recommended the Resolutions



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at Item No. 8 of this Notice relating to his appointment as the CEO of the Company as a Special Resolution for your approval.

In compliance with the provisions of Sections 203 and other applicable provisions of the Act and the terms of remuneration specified above are now being placed before the Members for their approval.

Except, Mr. Dhaval Chheda, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No. 8 of the Notice. Mr. Dhaval Chheda is not related to any other Director or Key Managerial Personnel of the Company.

**By Order of the Board of Directors
Spice Island Apparels Limited**

Sd/-

Umesh Mohan Katre

Director

DIN: 00196300

Place: Mumbai

Date: February 28, 2024

Registered Address

Unit 3043-3048, 3rd Fl,

Bhandup Industrial Estate

Pannalal Silk Mills Compd, L.B.S.

Marg, Bhandup-W Mumbai, 400078

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