

12TH **ANNUAL REPORT** **1998-99**

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SPENTA

SPENTA INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Mr. Danny Hansotia
Mr. Sanjay Gadodia
Mr. Hemang Jangla
Mr. B. S. Patil

Managing Director
Whole Time Director
Director
Nominee Director (SICOM)

Auditors

A. R. Parikh & Co.
Chartered Accountants,
321, Parikh Market,
Opera House,
Mumbai 400 004.

Bankers

- Dena Bank
Share Bazar Branch, Mumbai.
- Bank of Bahrain & Kuwait
Nariman Point, Mumbai.

Factory & Registered Office

Plot No. 15 & 16, Dewan Industrial Estate,
Village Navali, Palghar.

Administration Office

87, Mahendra Chambers, 2nd floor,
134/136 D. N. Road, Fort, Mumbai 400 001.

Share Transfer Agent

In Time Spectrum Resitry Pvt. Ltd.,
Formerly Called
"In Time Share Services Pvt. Ltd.,"
260-A, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (West),
Mumbai 400 080.

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NOTICE

NOTICE IS HEREBY GIVEN THAT 12TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY "SPENTA INTERNATIONAL LIMITED WILL BE HELD ON WEDNESDAY THE 18TH AUGUST, 1999 AT 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO.15 & 16 DEWAN INDUSTRIAL ESTATE, VILLAGE NAVALI, PALGHAR TO TRANSACT THE FOLLOWING BUSINESS.

1. To receive, consider and adopt the Audited accounts for the year ended 31st March, 1999 alongwith notes and schedule thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Hemang Jangla, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/S. A.R. PARIKH & CO., Chartered Accountants, Mumbai, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board
FOR SPENTA INTERNATIONAL LIMITED

Danny Hansotia
Managing Director

Place : MUMBAI
Date : 28TH MAY, 1999

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
A Proxy form to be effective must be lodged with the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. The Register of members and share transfer books of the Company will remain closed from Wednesday the 11th August, 1999 to Wednesday the 18th August, 1999 (Both days inclusive)
3. Members are requested to bring their own copies of Annual Report to the meeting.

By Order of the Board
FOR SPENTA INTERNATIONAL LIMITED

Danny Hansotia
Managing Director

Place : MUMBAI
Date : 28TH MAY, 1999

SPENTA INTERNATIONAL LIMITED**DIRECTORS' REPORT**

To
The Members
SPENTA INTERNATIONAL LTD.

Your Directors have great pleasure in presenting 12th Annual Report together with the Audited statement of Accounts for the year ended 31st March, 1999.

1. FINANCIAL HIGHLIGHTS :

The Financial results are briefly indicated below :

	31/03/99	Rs. (in Lakhs) 31/03/1998
1. Net Sales	257.13	201.44
2. Other Income	5.46	1.67
3. Total Expenditure	231.40	181.35
4. Interest	18.13	20.58
5. Gross Profit (+)/Loss (-) after Interest but before depreciation and taxation (1+2-3-4)	13.06	1.18
6. Depreciation	21.08	20.89
7. Prior period adjustments	2.39	—
8. Provision for Taxation	—	—
9. Net Profit (+)/Loss(-) (5-6-7)	(10.41)	(19.71)
10. Paid up equity share capital	311.56	311.56
11. Reserves excluding revaluation reserves	20.00	20.00

2. HIGHLIGHTS OF PERFORMANCE :

Sales of the company have been higher as compared to previous year by around 28% inspite of recessionary conditions prevailing in international as well as domestic markets. However due to intense competition, margins could not be greatly improved upon. Insipite of that profit before depreciation has increased from Rs.1.18 lacs in the previous year to Rs.13.06 lacs in this year. It is a matter of great pride that our products have been widely appreciated by our customers.

3. DIVIDEND:

Due to absence of profits, your Directors have not declared any dividend for the current year.

4. FUTURE OUTLOOK :

We are making all efforts to maximise utilization of production capacity. Intense export promotion efforts in the overseas market alongwith high standards of quality will gradually push our products to high segment consumers, whereby we shall be able to improve on our margins. Besides the permission to sell 25% of our product in DTA will also help to further consolidate our position.

5. FIXED DEPOSITS :

The Company has not accepted any fixed deposits within the meaning of Section 58-A of the Companies Act, 1956 and the rules framed thereunder.

6. CONSERVATION OF ENERGY

The Company has not adopted any special measures towards conservation of Energy during the year. The particulars in respect of conservation of energy as required by Section 217(1)(e) of the Companies Act, 1956, are given as under.

	31.03.99	31.03.98
1. POWER OR FUEL CONSUMPTION :		
(a) Electricity		
(i) Purchased		
Units (in Lakhs) (in Kwh)	4.61	4.06
Amount (in Rupees) (in Lakhs)	18.12	15.01
Rate per Unit (in Rupees)	3.93	3.70
(ii) Own Generation	—	—
(b) Coal (Specify quality and where used)	—	—
Quantity (Tonnes)	—	—
Total Cost	—	—
Average rate	—	—

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3. Furnace Oil
Quantity (K. Liters)
Total Cost
Average Rate (In Rupees)

4. Others/Internal Generation
Details : Not Applicable
Quantity (In Units)

II CONSUMPTION PER UNIT OF PRODUCTION :

Products with Details:

Socks 0.72 0.77

7. SUBSIDIARIES :

The Company has no subsidiaries, within the meaning of Section 212 of the Companies Act, 1956.

8. RESEARCH & DEVELOPMENT/TECHNOLOGY ABSORPTION :

The Company has received technical know-how package from M/s. Lonati Spa, Italy. The technician from Lonati is stationed at palghar for running of the Machines. Necessary steps have been taken to absorb this technology through training of personnel at the plant.

9. FOREIGN EXCHANGE EARNINGS & OUTGO :

The Details of Foreign Exchange Earnings & Outgoings are as follow :

	31.03.99	Rs. (in lacs)
Foreign Exchange Earnings - FOB value of Exports	228.01	201.44
Foreign Exchange Outgo :		
C.I.F. value of raw material		0.33
C.I.F. value of spares	5.39	3.54
Travelling Expenses	1.52	1.16

10. ENVIRONMENT & SAFETY :

Adequate safety measures have been adopted by the Director at the Palghar plant and also at the office premises. The Company is in industry in which there is no generation of effluents.

11. PARTICULARS OF EMPLOYEES :

There were no employees during the whole or part of the year who were in receipt of remuneration aggregating to Rs.50,000/- per month or Rs.6,00,000/- p.a.

12. AUDITORS :

M/s. A.R. PARIKH & CO., Chartered Accountants, Mumbai, Statutory Auditors of your Company holds office until the conclusion of the forthcoming Annual General Meeting. They signified their willingness to accept re-appointment and have further confirmed their eligibility under section 224(1-B) of the Companies Act, 1956. The significant Accounting Policies & Notes on Accounts are self explanatory hence no further explanations are required.

13. DIRECTORS :

During the year under review Mr. Hemang Jangla is Director who is retiring by rotation but being eligible offer himself for re-appointment.

14. Y2K COMPLIANCE :

All software & hardware used in recording financial transactions and most of the hardware used in other operations are y2k compliant. The estimated cost of y2k compliance is not expected to be significant. The Company has made necessary contingency plans to cover the possibility of any of the hardware or software proving to be non y2k compliant.

15. ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record, their gratitude for the co-operation and support received from SIOM & Dena Bank, various departments and agencies of Govt. of India and State Governments and dedication and commitment of the staff at all levels without which the all-round growth and prosperity of the Company would not have been possible. Your Directors also appreciate the support provided by the several overseas customers to the Company's export efforts and to the esteemed shareholders who have maintained confidence in the Company.

By Order of the Board
FOR SPENTA INTERNATIONAL LIMITED

Danny Hansotia
Managing Director

Place: MUMBAI

Date: 28TH MAY, 1999