

14TH

ANNUAL REPORT

2000 - 2001

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SPENTA

SPENTA INTERNATIONAL LIMITED



BOARD OF DIRECTORS

Mr. Danny Hansotia
Mr. Sanjay Gadodia
Mr. Sandeep Gadodia

: Managing Director
: Whole Time Director
: Whole Time Director

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 Navalji, Palghar.

Administration office

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

Share Transfer Agent

: **Intime Spectrum Registry Pvt. Ltd.**
260-A, Shanti Industrial Estate,
Sharojani Naidu Road, Mulund (W),
Mumbai 400 080.

Listing

: **MUMBAI STOCK EXCHANGE**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 023.

Annual Listing listing fees are paid for
the year 2001-2002.

AHMEDABAD STOCK EXCHANGE

Kamdheni Complex, Opp.
Sahajanand Collage Panjarapole,
Ahmedabad - 380 015.

Annual Listing fees are paid for the
year 2001 - 2002.



NOTICE

NOTICE IS HEREBY GIVEN THAT 14TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY **SPENTA INTERNATIONAL LIMITED** WILL BE HELD ON THURSDAY THE 30TH AUGUST, 2001 AT 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NOS. 15 & 16 DEWAN INDUSTRIAL ESTATE VILLAGE NAVALI, DIST - THANE, PALGHAR TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited accounts for the year ended 31st March, 2001 alongwith notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS :

3. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Pursuant to Section 198 269, 309, 310, 314 & Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to consent of shareholders and such approval as may be necessary, MR. SANDEEP GADODIA be and is hereby appointed as a Whole Time Director of the company for a period of Five years with effect from 1st June, 2001 upon the terms and conditions as set out submitted to the meeting and initialed by the Chairman for the purpose of identification, which terms and conditions is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956 or any amendments here to, as may be agreed to between the Directors and MR. SANDEEP GADODIA. L

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

4. To Consider and if thought fit, to pass with or without modification, the following resolution as a special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) for the time being in force, the Articles of Association of the Company be and are hereby altered as under :

A) The Article No.2 of Articles of Association be amended by adding following new Articles :

"derivative" has the same meaning as in clause (aa) of Section 2 of the Securities Contracts (Regulation) Act, 1956 :

"dividend" includes any interim dividend.

" employees stock option" means the option given to the whole time directors, officers or employees of a Company, which gives such directors officers or employees the benefit or right to purchase or subscribe at a future dated the securities offered by the Company at a pre-determined price."

"Hybrid " means any security which has the character of more than one type of security, including their derivatives :

" information memorandum " means a process undertaken prior to the filing of prospectus by which a demand for the securities proposed to be issued by a company is elicited, and the price and the terms of issue for such securities is assessed, by means of a notice, circular, advertisement or document :



B) The Article No. 13 of Articles of Association be amended by adding following Article as mentioned below, after the existing Article :

13. Subject to the provisions of Section 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 or such other regulations governing matter from time to time and subject to such approvals, permissions and sanctions as may be necessary, the company shall have power to purchase, acquire or hold any of its own fully paid up shares whether or not they are redeemable and other specified securities out of its free reserves or shares premium account or out of the proceeds of any issue of shares or other specified securities made by the company specifically of the purpose or from such other sources as may be permitted by law on such terms and conditions and in such proportion and in such manner as may be prescribed by Act from time to time provided further that nothing herein contained shall be deemed to effect the provisions of section 100 to 104 and section 402 of the Act in so far and to the extent they are applicable.

C) The Article No. 16 of Articles of Association be amended by adding following Article as mentioned below after the existing Article :

Notwithstanding anything contained in Article every holder(s) of shares in or debentures of the Company, holding either singly or jointly, may at any time nominate a person in the prescribed manner to whom the shares and / or the interest of the member in the capital of the Company or debentures of the Company shall vest in the event of his/her death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of Section 109A and 109B of the Companies Act, 1956 or such other regulations governing the matter from time to time.

D) The Article No. 18 of Articles of Association be amended by Replacing following Article No. 18 as mentioned below.

18. POWER TO ISSUE DIFFERENTIAL VOTING RIGHTS SHARES :

Company can issue share capital with differential voting rights after complying with the issue of the share capital with differential voting rights Rule, 2001.

E) The existing Article No. 19 of Articles of Association be amended by adding following Articles after the existing Article.

19. The company shall cause to be kept at its Registered office or at such place as may be decided by the Board of Directors, the Register and Index of members in accordance with section 150 and 151 and other applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with the details of shares held in physical and dematerialised form in any media as may be permitted by law including any form of electronic media.

The Register and Index of Beneficial owners maintained by a Depository under Section 11 of the Companies Act, 1996 shall also deemed to be the Register and Index members for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof. The Company shall have power to keep in any state or country outside India, Register of members for the residents in that state or country.

DEMATERIALISATION OF SECURITIES

For the purposes of this Article, unless the context otherwise requires :

(I) Definitions :

Beneficial Owner : 'Beneficial Owner' means a the beneficial owner as defined in clause (a) of Sub Section (1) of Section (2) of the Depositories Act and whose name is recorded as such with a depository ;

Bye-laws : Bye-laws' means bye-laws made by a Depository under Section 26 of the Depository Act, 1996 ;

Depository Act : Depository Act, shall mean the Depository Act, 1996 and includes where the context so admits any re-enactment or statutory modifications thereof for the time being in force.

Depository : ' Depository ' means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub section (1A) of Section 12 of the securities and Exchange Board of India Act, 1992.



Record : 'Record ' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI ;

Regulations : ' Regulations ' means the regulations made by SEBI ;

SEBI : 'SEBI' means such security as may be specified by SEBI or any other statutory body, from time to time .

Shareholder or member : 'Shareholder' or 'Member ' unless otherwise provided means the duly registered holder, from time to time of the shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository ;

(II) Dematerialisation of Securities :

Notwithstanding anything contained in these Articles , the Company shall in accordance with the provisions of the Depositories Act, be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1956 and the Rules framed thereunder . if any. The Company shall maintain a Register of Members/ Debenture holder holding shares/debentures both in material and dematerialised form in any media as permitted by law including any form of electronic media , either in respect of existing shares or any future issue.

(III) Option for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with the Depository such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of Securities.

In case of allotment of securities, if person opts to hold his security with a Depository , the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(IV) Securities in Depositories to be in fungible form :

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to Depository in respect of the securities held by it on behalf of the beneficial owners :

(V) Rights of Depositories and Beneficial Owners :

i. Notwithstanding anything to the contrary contained in the Act or these Articles , a Depository shall be deemed to be the registered owner for the purpose of effecting transfer or ownership of security on behalf of the beneficial owner ;

ii. Save as otherwise provide in (i) above, the Depository \ Depositories as a registered owner(s) of the securities shall not have any voting rights or any other right in respect of the securities held by it them.

ii. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company . The beneficial owner of the securities held by a Depository.

iv. Save as herein otherwise provided , the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share , as also the person whose name appears as the beneficial owner of the shares in the records of the Depository, as the absolute owner thereof as regards receipt of dividends or bonus or sevice of notices and all or any other matters connected with the Company , and accordingly, the Company shall not (except as ordered by court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.



(VI) Depository to furnish information;

Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or floppies or discs.

(VII) Option to opt out in respect of any such security :

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall on receipt of the intimation as above, make appropriate entries in its record and shall inform the company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(VIII) sections 83 and 108 of the Act not to apply :

Notwithstanding anything to the contrary contained in the Articles :-

i. Section 83 of the Act shall not apply to the shares with a Depository :

i. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

(IX) Register and Index of Beneficial Owners :

In case of dematerialised shares, the Register and Index of beneficial Owners, maintained by a Depository under Section II of the Depositories Act shall be deemed to be the Register and Index of members and Security holders as the case may be for the purposes of these Articles as provided in accordance with Section 152A of the Act.

In case of dematerialised debentures the Register and Index of beneficial Owners maintained by a Depository under the Depositories Act, 1966, shall be deemed to be a Register and Index of Debenture holder as provided in accordance with Section 152A of the Act.

(X) Intimation to Depository :

Notwithstanding anything contained in the Act or these Articles where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

(XI) Stamp duty on securities held in dematerialised form :

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

(XII) Applicability of the Depositories Act :

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act 1996 shall apply.

(XIII) Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository :

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust of equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.



F) Article 132(3) the word Rs. 250/- (Rupees Two Hundred Fifty Only) be replaced with Rd. 5,000/- (Rupees Five Thousand Only).

G) The Article of Association No. 190 be amended by replacing word "Forty Two" by " Thirty " & following clause be added as 190(f)

190 (f) Unless otherwise directed, any dividend, interest or other moneys payable in cash in respect of a shares may be paid by cheque or warrant or demand draft sent through the post to the registered address or through the Electronic Clearing Service of the RBI on the basis of Bank Account details as provided to the Company or in such other manner as may be permitted, to the Member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding or to such person and such address as the member or members direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transit/transmission, or for any dividend loss to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means or for any non or wrong credit of dividend made by the member's banker.

By Order of the Board
FOR SPENTA INTERNATIONAL LIMITED

PLACE : MUMBAI
DATE : 22/06/2001

DANNY HANSOTIA
MANAGING DIRECTOR

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NOTES :

1. A MEMBERS 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 48 hours before the commencement of the meeting.

2. The register of members and share transfer books of the Company will remain closed from Thursday the 23RD August, 2001 to Thursday the 30th August, 2001 (Both day's inclusive)

3. Members are requested to bring their own copies of Annual Report to the meeting.

4. The relevant Explanatory statement pursuant to section 173 of the Companies Act, 1956 is annexed hereto.

5. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

As required by section 173 (2) of the Companies Act, 1956.

ITEM NO. 3 :

In view of increase in the Business operations, the Board in their meeting decided to appoint Mr. Sandeep Gadodia as a Whole Time Director w.e.f. 1st June, 2001.

Pursuant to section 198, 269, 309, 310, 314 & Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 Appointment of Whole Time Director required shareholders consent. Hence this resolution is proposed for

The major terms of appointment is given in detail of managerial person as below :

2) MR. SANDEEP GADODIA appointed as a Whole Time Director w.e.f. 1st June, 2001 for the period of 5 years i.e. Upto 31st May, 2006.

(I) SALARY: Remuneration of Mr. Sandeep Gadodia, Whole Time Director shall be Rs 10,000/- per month upto 31st May, 2006 with power to Board to vary with in the limits of schedule XIII of the Act.

The afore said remuneration will also remain as minimum remuneration in case of in adequate or absence of profits.

(II) PERQUISITES :

Mr. Sandeep Gadodia as a Whole Time Director will be entitled for following perquisites which shall not be part of the ceiling of remuneration.

a) Contribution to provident Fund, Superannuation Fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.

b) Gratuity : as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.

c) Children's education allowance : In case of children studying in our or outside India, and allowance limited to maximum of Rs. 5,000/- per month per child of actual expenses incurred, whichever is less such allowance is admissible upto maximum of two children.

d) Holiday passage for children studying outside India/family staying abroad : Return holiday passage once in a year by economy class or once in two year by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.

e) Leave travel concession : Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of any where in India.

This may be treated as an abstract between the Company and MR. SANDEEP GADODIA Pursuant to section] 302 of the Companies Act, 1956.

Item No. 4

Some of the Articles need change modifications consequent upon amendment to certain provisions of the Companies Act, 1956 as well as enactment of certain other laws / regulation like Depositories Act, 1996 governing the working of the Capital markets in India. It is therefore proposed to modify / add certain articles as stated in the notice Convening the AGM as per the detail stated there in section 31 of the Companies Act, 1956 inter alia provides that a Company may be special Resolution after its Articles of Association.

As per amended Act, the Companies have been allowed to buy back their own securities and Facility for nomination for share/ debenture holder, in order to keep the Articles of Association of the company in line with amended made to the Companies Act, 1956 it is proposed to insert new Articles in the Articles of Association of the Company. Further as per the amendment, the Company cannot buy - back its shares unless authorised by Articles of Association.



The following matter, inter alia, are proposed to be incorporated suitably in the Articles of Association.

- Purchase of its own share by the company (buy-Back) subject to the governing regulation (New Article 13)
- Nomination Facility for shareholders as well as debenture holders. (New Article 16).
- Consequent up on the enactment of the Depositories Act, 1996, and the securities and Exchange the Board of the India making compulsory dematerialised trading of the company's share and for rolling settlement of all investors with effect from 8th May, 2000. The Depositories Act, 1996 has amended some of the Provisions of the Companies Act, 1956 pertaining to issue, Holding, transfer transmission and dealing in share and other securities as also issue of relevant certificate thereof, so as to facilitate the introduction and implementation of the Depository system.
- The Reserve Bank of India has introduced as Electronic Clearing Service (FCS), through which dividend can be paid to the share holders by crediting the same directly to their respective bank accounts at various locations in India and in due course will be extending the facility to other locations. This scheme ensure safety and speed in crediting the dividend to the individual shareholders bank account and the chances of interception and fraudulently encasement of the dividend warrants are reduced. The Amendment enables the Company to extend the benefit of FCS to its shareholders.
(Amendments to Article 190).

Your Directors recommend the Resolution set out at Item No.4 of the notice for your approval.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alteration is available for inspection by any member at the Registered Office of the Company on any Working days, excluding Saturday, up to the date of the Annual General Meeting between 11.00 a.m. To 1 p.m.

None of the directors of the company is in any way concerned or interested in the amendments \ resolutions except for Amendment to Articles 132 (3) i.e. Payment of sitting fees.

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By Order of the Board
FOR SPENTA INTERNATIONAL LIMITED

PLACE : MUMBAI
DATE : 22/06/2001

DANNY HANSOTIA
MANAGING DIRECTOR