



22nd Year

Annual Report

2008-2009

SPENTA INTERNATIONAL LIMITED

BOARD OF DIRECTORS**MR. SANJAY S. GADODIA***(Chairman)***MR. SANDEEP S. GADODIA***(Whole Time Director)***MR. MILIND VINOD***(Independent Non-Ex. Director)**(Upto 31st October, 2008)***MRS. MEENA SEHRA***(Independent Non Ex. Director)***MR. CHETAN RATHOD***(Independent Non-Ex. Director)***MR. DANNY F. HANSOTIA***(Managing Director)***BANKERS:**

DENA BANK,

SHARE BAZAR BRANCH, MUMBAI.

AUDITORS:

A. R. PARIKH & CO., Mumbai.

SHARE TRANSFER AGENT:

LINK INTIME INDIA PVT. LTD.

C-13, PANNALAL SILK MILLS COMPOUND,

L.B.S. MARG, BHANDUP (W.),

MUMBAI - 400 078.

REGISTERED OFFICE & FACTORY :

PLOT NOS. 13, 14, 15, 16, & 40 (PART) & 40/2

DEWAN INDUSTRIAL ESTATE,

VILLAGE NAVALI, PALGHAR (W) - 401 404.

ADMINISTRATIVE OFFICE :

86 & 87, EMPIRE BUILDING,

2ND FLOOR, 134/136, D. N. ROAD,

FORT, MUMBAI - 400 001.

LISTING OF EQUITY SHARES:**THE STOCK EXCHANGE, MUMBAI**

PHIROZE JEEJEEBHOY TOWERS, DALAL STREET,

MUMBAI - 400 001.

THE AHMEDABAD STOCK EXCHANGE,

KAMDHENU COMPLEX, PANGARPOLE,

AHMEDABAD - 380-015.

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**22nd Annual Report
2008-09**

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SPENTA INTERNATIONAL LIMITED

NOTICE

Notice is hereby given that the **22nd Annual General Meeting** of the members of **SPENTA INTERNATIONAL LIMITED** will be held on **Wednesday, the 30th September, 2009** at 10.30 a.m. at the registered office of the company situated at Plot Nos.13, 14, 15, 16 & 40 (PART) & 40/2, 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 2009 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Meena Sehra, who retires by rotation & being eligible offers herself for re- appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the Next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as "the said Act") the consent of the Company be and is hereby accorded to the appointment of Mr. Sanjay Gadodia as a Whole time Director of the Company for a period of 5 (Five) years on the terms and conditions including remuneration as placed before the Board and initialed by the chairman a draft whereof is placed before this meeting, with liberty to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said appointment and/or remuneration and / or agreement.

"RESOLVED FURTHER THAT, the Board be and is hereby authorised to vary the remuneration of the Whole time Director within the limits as specified in Schedule XIII during the tenure of his appointment."

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to the Managing Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, remuneration payable to the Managing Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time. payable to the Managing Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."

**BY ORDER OF THE BOARD
FOR SPENTA INTERNATIONAL LIMITED**

DATE: 31ST July, 2009.
PLACE: Mumbai

Sd/-

**SANJAY GADODIA
(CHAIRMAN)**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND & VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE, DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Register shall remain closed from **Wednesday, the 23rd September, 2009 to Wednesday, the 30th September, 2009** (both days inclusive).
3. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore requested to bring their own copy to the meeting.
4. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
5. Any member requiring further information on accounts at the meeting is requested to send their queries in writing to the Managing Director of the Company before, 10th September, 2009.
6. The explanatory statement in respect of item No. 4 of the notice Pursuant to section 173(2) of the Act is annexed hereto.

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EXPLANATORY STATEMENT**As required by section 173(2) of the Companies Act, 1956****Item No.: 4**

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 31st July 2008, Mr. Sanjay Gadodia was re-appointed as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 1st July 2008. The remuneration to Sanjay Gadodia inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

Mr. Sanjay Gadodia is having experience of more than 20 years in Textile Industry. Because of his sustained efforts, company recorded growth in the past few years.

Mr. Sanjay Gadodia will serve as a Whole Time Director on the Board of the Company from 1st July, 2008

The terms & Conditions proposed to be entered into by the Company with Mr. Sanjay Gadodia in respect of his re-appointment, are as follows :

TERMS & CONDITIONS OF REMUNERATION OF MR. SANJAY GADODIA, Whole Time Director**TERMS & CONDITIONS:**

1. Name & Designation of Director. : Mr. Sanjay Gadodia
Whole time Director
2. Date of Appointment : Re-appointment w.e.f. 1st July 2008.
3. Period : 5 (Five) years.
4. Salary (p.m) : In the Grade of Rs. 75,000/- p.m. to Rs. 1,25,000/- p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act.
5. Minimum Remuneration : In the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Sanjay Gadodia by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Mr. Sanjay Gadodia shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

II) PERQUISITES:

Mr. Sanjay 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 or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a 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 years by first class to children and to the members of the family from the place of their study or stay abroad 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 anywhere in India.
- III). Salary and perquisites specified herein shall be payable to the Whole Time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- IV). The Whole time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- V). The Whole time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VI). The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the company, except Mr. Sanjay Gadodia and Mr. Sandeep Gadodia are considered to be interested or concerned in this resolution.

These Terms & Conditions of appointment may be treated as an abstract between the company & Mr. Sanjay Gadodia, Whole time Director pursuant to section 302 of the Companies Act, 1956.

**BY ORDER OF THE BOARD
FOR SPENTA INTERNATIONAL LIMITED**

DATE: 31st July, 2009.

PLACE: Mumbai

Sd/-

**SANJAY GADODIA
(CHAIRMAN)**

DIRECTORS' REPORT

To,
The Members,
SPENTA INTERNATIONAL LIMITED.

Your Directors have great pleasure in presenting the **22nd ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended **31st March, 2009.**

1. FINANCIAL RESULTS:

The financial Results are briefly indicated below:

(Rs. In Lacs)

	YEAR ENDED	YEAR ENDED
	31st March 2009	31st March 2008
Sales	1839.04	1542.89
Profit before Interest and Depreciation	357.05	352.40
Less: Interest & Finance charges	68.76	56.68
Profit after interest but before Depreciation	288.29	295.72
Less: Depreciation & Amortization	132.17	132.00
Profit before tax	156.12	163.72
Less: Provision for Taxation - Current	65.00	58.02
- Deferred	(38.91)	(2.64)
- Fringe Benefit	1.10	0.85
Profit after tax	128.93	107.49
Balance Brought forward	627.04	519.55
Profit carried to Balance Sheet	755.97	627.04

2. FINANCIAL OPERATIONS:

Your Company has almost managed to achieve the target of 185 million with a sales turnover of Rs. 1839.04 lacs, almost 20 % higher compared to Rs. 1542.89 lacs in 2007-2008. Your Company has posted a net profit of Rs. 128.93 lacs, 20 % higher compared to Rs. 107.49 lac in 2007 – 2008.

3. FUTURE PROSPECTS:

Your Company through efficient production management system, automation and modernization is confident of minimizing the risks and increasing the profits of the Company in coming years.

4. DIVIDEND:

The Directors, do not recommended any dividend for the year in order to utilize the accruals for funding the expansion project of the Company.

5. FIXED DEPOSITS:

The company has accepted fixed deposits within the meaning of section 58-A of the Companies Act, 1956 and rules framed there under are complied with. There are no deposits which have not been claimed by depositors or paid by the company after the date on which the deposit became due for repayment or renewal, as the case may be, according to the contract with the depositors & there are no total amounts due to the depositors & remaining unclaimed or unpaid.

6. SUBSIDIARIES:

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

7. DIRECTORS:

During the year Mrs. Meena Sehra, Director, who is retiring by rotation but being eligible offers herself for re-appointment.

8. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956 the Board of Directors hereby confirm:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the financial year and of the Profit or Loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

9. CORPORATE GOVERNANCE CODE:

The Board had implemented Corporate Governance Code in pursuance of clause 49 of Listing Agreement except clause no. 49(A)(i) and (ii) during the year. Due to resignation of an Independent Director the Board is not in compliance with the clause 49 of the listing agreement and the Board is in the process of complying with the same. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from M/s. HS Associates, Company Secretaries on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

10. COMPLIANCE CERTIFICATE:

Compliance Certificate as required under section 383A of the Companies Act, 1956 prepared and issued by HS Associates, Company Secretaries in Practice, is annexed hereto.

11. STOCK EXCHANGE REQUIREMENTS :

Being Listed at Mumbai & Ahmedabad Stock Exchanges, your company has paid listing fees till March 2010.

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. He has signified his willingness to accept re-appointment and has further confirmed his eligibility under Section 224 (1B) of the Companies Act, 1956.

13. MANAGEMENT DISCUSSION AND ANALYSIS :

The Management Discussion and Analysis are annexed and forms an integral part of this report.

14. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

Statement giving the particulars relating to conservation of energy, technology absorption & foreign exchange earnings & outgo, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 is as follows.

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Annexure 1 to Director's Report:**FORM A: Disclosure of particulars with respect to conservation of Energy.**

		31/03/2009	31/03/2008
A.	POWER & FUEL CONSUMPTION		
1.	Electricity		
a)	Purchased		
	Units (in lakhs) (in kwh)	15.16	13.95
	Amount in Rupees (in lakhs)	71.27	- 62.08
	Rate per Unit (in Rupees)	4.70	4.45
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	Knitted Cotton Socks	1.27	1.14

FORM B: Disclosure of particulars with respect to Technology absorption:

- I. Research and Development (R & D) Nil Nil
- Expenditure on R & D
- II. **A. TECHNOLOGY ABSORPTION & ADOPTION**
Our manufacturing is based on knowhow from Lonati, Italy. The plant is being operated at optimum level continuous coordination is being maintained with LONATI to avail the benefits of further development in technology.
- B. FOREIGN EXCHANGE EARNINGS & OUTGO**
The details of Foreign Exchange & outgoing are as follow:

(Rs. In Lacs)

		31/03/2009	31/03/2008
1.	Foreign Exchange Earnings:		
-	(FOB value of Exports)	----	45.78
2.	Foreign Exchange outgo:		
-	C. I. F. Value of Capital Goods	59.07	114.67
-	C. I. F. Value of Spares & consumables	8.24	1.85
-	Traveling Expenses	1.37	3.91

15. PARTICULARS OF EMPLOYEES:

In accordance with the provision of section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules 1999 as amended up to date, there were no employees during the whole or part of the year who were in receipt of remuneration in excess of limits as mentioned in the section and hence no details are given as such.



SPENTA INTERNATIONAL LIMITED

16. ACKNOWLEDGEMENTS :

Your Directors take this opportunity to place on record, gratitude for co-operation and support received from their Banker, various departments and agencies of Central and State Government and dedication and commitment to 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 and local customers to the Company's marketing efforts and to the esteemed shareholders who have maintained confidence in the Company.

**BY ORDER OF THE BOARD
SPENTA INTERNATIONAL LIMITED**

Sd/-

DATE: 31st July, 2009**PLACE:** Mumbai**SANJAY GADODIA
(CHAIRMAN)**

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