

**SPENTA INTERNATIONAL LIMITED**



**27th Annual Report  
2013-14**

Book-Post

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**LINK INTIME INDIA PVT. LTD.**  
**UNIT : SPENTA INTERNATIONAL LIMITED**  
C-13 Pannalai Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai 400 078

**spenta®****SPENTA INTERNATIONAL LIMITED****BOARD OF DIRECTORS:**

- Mr. Sanjay Gadodia (DIN-00203433)** : Chairman, Whole Time Director cum Chief Executive Officer
- Mr. Danny Hansotia (DIN-00203497)** : Managing Director cum Chief Financial Officer
- Mr. Gaurav Samdaria (DIN-06797334)** : Additional Independent Non-Executive Director  
(Appointed w.e.f February 13, 2014)
- Ms. Sunita Misri (DIN-06926975)** : Additional Independent Non-Executive Director  
(Appointed w.e.f August 13, 2014)

**BANKERS:**

DCB Bank Limited

**AUDITORS:****A. R. PARIKH & CO., Mumbai.**

Chartered Accountants

321, Parekh Market, 3rd Floor,

Opera House, Mumbai - 400 004.

E-mail:ameetparikh@mtnl.net.in/arparikh.co@gmail.com

**REGISTRAR & SHARE TRANSFER AGENT:****Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W),

Mumbai - 400 078.

Tel: - 022-25963838 Fax: - 022-25946969

Email id:-mumbai@linkintime.co.in

Website :-www.linkintime.co.in

**REGISTERED OFFICE & FACTORY:**

Plot No. 13 to 16,

Dewan Industrial Estate,

Village Navali, District Thane,

Palghar (West) - 401 404.

Tel- 91-(2525)-250056

Fax- 91-(2525)-250056 Extn.113.

Email-spentain@vsnl.com

Website: www.spentasocks.com

CIN - L28129MH1986PLC040482

**LISTING OF EQUITY SHARES:****BSE Limited,**

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai - 400 001.

**Ahmedabad Stock Exchange Limited**

Kamdhenu Complex, Opp. Sahajanand College,

Panjarapole, Ambawadi, Ahmedabad - 380 001.

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## SPENTA INTERNATIONAL LIMITED

### NOTICE

Notice is hereby given that the **Twenty-Seventh Annual General Meeting** (the "Meeting") of **Spenta International Limited** ("the Company") will be held on **Wednesday September 24, 2014 at 11.00 a.m.** at the Registered Office of the Company situated at **Plot No. 13 to 16, Dewan Industrial Estate, Village Navali, Dist. Thane, Palghar (West) – 401 404** to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Gadodia (DIN-00203433), who retires by rotation and being eligible, seeks for re-appointment.
3. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s A. R. PARIKH & CO., (Membership No. 38188) Chartered Accountants, be and are hereby appointed as the auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of thirtieth AGM of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM), on such remuneration as shall be fixed by the Board of Directors."

#### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement (including any statutory modifications(s) or re-enactment thereof for the time being in force), Mr. Gaurav Samdaria (DIN-06797334) who was appointed as an Additional Director of the company by the Board of Directors with effect from February 13, 2014 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director on the Board of the Company to hold office upto five consecutive years up to March 31, 2019, not liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement (including any statutory modifications(s) or re-enactment thereof for the time being in force), Ms. Sunita Misri (DIN-06926975) who was appointed as an Additional Director of the company by the Board of Directors with effect from August 13, 2014 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director on the Board of the Company to hold office upto five consecutive years up to August 12, 2019, not liable to retire by rotation."



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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of Rs. 50,000/- p.a. payable to M/s Gangan and Co., (Membership No.13311) Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records maintained by the Company for the Financial Year ending March 31, 2015.

**RESOLVED FURTHER THAT** any of the director(s) of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. 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 180 (1) (c) of the Companies Act, 2013 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 to borrow from time to time, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, the total amount of such borrowings together with the amounts already borrowed and outstanding shall not, at any time, exceeds Rs.40,00,00,000/- (Rupees Forty Crores Only) notwithstanding that the monies so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves."

8. 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 180 (1) (a) of the Companies Act, 2013 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 for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and/or immovable assets and properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures and/or working capital facilities and other credit facilities up to a sum not exceeding Rs. 40,00,00,000 (Rupees Forty Crores Only)/-.

**RESOLVED FURTHER THAT** the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and/or movable properties of the Company on such terms and conditions and at such time(s) / tranche(es) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution."

BY ORDER OF THE BOARD

DANNY HANSOTIA  
(MANAGING DIRECTOR CUM CFO)

DATE: August 13, 2014

PLACE: Palghar

**spenta®****SPENTA INTERNATIONAL LIMITED****NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report. A proxy is not entitled to vote except on a poll. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 17, 2014 to Wednesday, September 24, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. As a measure of economy copies of the Annual Report & Accounts will not be distributed at the meeting. Members are therefore requested to bring their copies to the meeting.
5. Members who hold Shares in physical mode are requested to immediately notify the change of address, if any, and also, in furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to intimate their Email Id, for delivery of Annual Reports, Notices and other documents through electronic mode, to the Registrar and Share Transfer Agents, Link Intime India Private Limited and can also send confirmation on mail id – [spentainternationalgogreen@linkintime.co.in](mailto:spentainternationalgogreen@linkintime.co.in).
6. For the convenience of Members and for proper conduct of the meeting entry to the meeting venue will be regulated by attendance slip which is enclosed with the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
7. For transfer of shares held in Physical mode the transferee should submit along with the transfer documents copy of PAN Card for registration of transfer request.
8. Members desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form SH-13 annexed as a part of the Annual Report and send the same to the office of the Registrar and Share Transfer Agent of the Company.
9. Members are requested to intimate to the Company, queries if any, regarding the accounts at least 10 days before the Annual General Meeting to enable the Management to keep the information ready at the meeting. The queries may be addressed to Managing Director, Mr. Danny Hansotia, Spenta International Limited, Plot No. 13 to 16, Dewan Industrial Estate, Village Navali, District Thane, Palghar (West) – 401 404.
10. Details of Directors seeking appointment or re-appointment at the 27<sup>th</sup> Annual General Meeting pursuant to clause 49 IV (G) (I) of the Listing Agreement with Stock Exchange(s) are mentioned in the Corporate Governance Report forming part of this Annual Report.
11. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Saving Bank Account details to their respective Depository Participants.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management.



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13. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent M/s Link Intime India Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. Electronic copy of the Annual Report for 2013-2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their mail address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
16. Electronic copy of the Notice of the 27<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members may also note that the Notice of the 27<sup>th</sup> Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website [www.spentasocks.com](http://www.spentasocks.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (9.00 a.m. to 6.00 p.m.) on all working days except Fridays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [spentain@vsnl.com](mailto:spentain@vsnl.com).
18. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement executed by the company with the BSE Limited and Ahmedabad Stock exchange Limited, the Company is pleased to provide members facility to exercise their right to vote at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services Limited (CDSL):

During the e-voting period, members of the company holding shares either in physical form or dematerialised form, as on the cut-off date i.e. August 22, 2014, may cast their votes electronically.

The e-voting period commences at 9.00 a.m. on September 18, 2014 and ends at 6.00 p.m. on September 20, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.

Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently.

A copy of this notice has been placed on the website of the Company and the website of CDSL.

Ms. Ashwini Rajeshirke, Partner of HS Associates, Practicing Company Secretaries (Membership No : 26223) have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.spentasocks.com](http://www.spentasocks.com) and on the website of CDSL within two (2) days of passing of the resolution at the AGM of the Company and communicated to the BSE Limited and Ahmedabad Stock Exchange Limited.



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The process and instructions for e-voting are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "Spenta International Limited" from the drop down menu and click on "SUBMIT"
- (iv) 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) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification Code / Captcha Code as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company/entity, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</li> </ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the EVSN selection screen.
- (x) However, Members 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 also 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 other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.



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- (xii) Click on the relevant **EVS N 140807002** of Spenta International Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and image verification code / Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- (xix) For Institutional Shareholders :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (i) Please follow all steps from sl. no. (i) to sl. no. (xix) above, to cast vote

**Other Instructions:**

- I. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date August 22, 2014.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

19. Corporate Members are requested to send to the Company's Registrar and Share Transfer agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 6.00 p.m.) on all working days except Fridays, up to and including the date of the Annual General Meeting of the Company.

BY ORDER OF THE BOARD

DATE: August 13, 2014  
PLACE: Palghar

DANNY HANSOTIA  
(MANAGING DIRECTOR CUM CFO)





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**EXPLANATORY STATEMENT**

**[Pursuant to Section 102 of the Companies Act, 2013]**

As required by Section 102 of the Companies Act, 2013 ("Act") the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 4 to 8 of the accompanying Notice:

**ITEM NO. 4:**

The Board of Directors at its meeting held on February 13, 2014 have appointed Mr. Gaurav Samdaria as an Additional Director in terms of Section 161 of the Companies Act, 2013 who holds office upto the date of this Annual General Meeting of the Company. The Company has received notice from a member proposing Mr. Gaurav Samdaria as a candidate for the office of Director of the Company in terms of Section 160 of Companies Act, 2013.

Pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder, Mr. Gaurav Samdaria is proposed to be appointed as an Independent Director of the Company upto five consecutive years upto March 31, 2019.

The Company has also received declarations from Mr. Gaurav Samdaria that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Gaurav Samdaria fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement and he is independent of the management.

Brief resume of Mr. Gaurav Samdaria, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Copy of the draft letters for appointment of Mr. Gaurav Samdaria as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Accordingly the Board recommends the resolution in relation to appointment of Mr. Gaurav Samdaria as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Gaurav Samdaria, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No.5:**

The Board of Directors at its meeting held on August 13, 2014 have appointed Ms. Sunita Misri as an Additional Independent Non-Executive Director in terms of Section 161 of the Companies Act, 2013 who holds office upto the date of this Annual General Meeting of the Company. The Company has received notice from a member proposing Ms. Sunita Misri as a candidate for the office of Director of the Company in terms of Section 160 of Companies Act, 2013.

Pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder, Ms. Sunita Misri is proposed to be appointed as an Independent Director of the Company upto five consecutive years upto August 12, 2019.

The Company has also received declarations from Ms. Sunita Misri that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Sunita Misri fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Ms. Sunita Misri is independent of the management, Brief resume of Ms. Sunita Misri, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Copy of the draft letters for appointment of Ms. Sunita Misri as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

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Accordingly the Board recommends the resolution in relation to appointment of Ms. Sunita Misri as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Sunita Misri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**ITEM NO. 6:**

The Board had on May 29, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Gangan & Co., the Cost Accountants to conduct the audit of the Cost records maintained by the Company for the Financial Year ending March 31, 2015 and remuneration of Rs 50,000/- p.a have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No. 6 of the Notice.

Accordingly the Board recommends the Resolution in relation to ratification of remuneration payable to Cost Auditor, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the resolution set out at Item No.6 of the Notice.

**Item No. 7:**

In pursuant to Section 180 (1) (c) of the Companies Act, 2013 read with rules made thereunder, the Company can borrow upto the aggregate of Paid-up share capital and free reserves. Due to increasing business operations, future growth plans of the Company, expansion of production facilities, the mobilization of funds has substantially increased. Therefore, it is considered desirable to authorize the Board to borrow funds which shall not exceed, including the amounts already borrowed and outstanding, at any time, Rs.40,00,00,000/- (Rupees Forty Crores Only).

To borrow funds in excess of the aggregate of paid-up share capital and free reserves, the Board requires the consent of Company in general meeting as a special resolution. Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1) (c) of the Companies Act, 2013 by way of an Special Resolution.

Accordingly the Board recommends the Resolution in relation to 180 (1) (c) of the Companies Act, 2013, for the approval by the shareholders of the Company.

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

**Item No. 8:**

The Company would be borrowing monies by way of debentures, bonds, loans, in rupee and/or in foreign currency from Financial Institutions / Banks / Insurance Companies and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and/or charges on all or some of the immovable and movable properties of the Company, both present and future, in favour of the lenders/ trustees upto an extent of Rs.40,00,00,000/- (Rupees Forty Crores Only).

To create mortgage and/or charge upto the said limit, approval of the Members is required to be obtained pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard.

Accordingly the Board recommends the Resolution in relation to 180 (1) (a) of the Companies Act, 2013, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the resolution set out at Item No.8 of the Notice.

BY ORDER OF THE BOARD

DATE: August 13, 2014  
PLACE: Palghar

DANNY HANSOTIA  
(MANAGING DIRECTOR CUM CFO)

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