



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 JEEJEEBOY TOWERS, DALAL STREET,
MUMBAI - 400 001.

THE AHMEDABAD STOCK EXCHANGE,
KAMDHENU COMPLEX, PANGARPOLE,
AHMEDABAD - 380-015.

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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.

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. 49I(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.

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.

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)**

Annexure -2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The market for the textile industry is growing and next couple of years will see phenomenal growth and creation of the capacities. The socks industry in India has also seen a tremendous boost in terms of usage. The Industry which was earlier mostly in the hands of unorganized & unbranded sectors is slowly becoming organized and the preference for branded products has increased in many folds. Your company is manufacturing some of the best brands of National & International repute. The company also gave boost to its own brand namely "spenta" by making new appointment's of dealers in strategic locations.

B) OPPORTUNITIES AND THREATS:

With the rise of Indian middle class and consumers shifting their preference for branded products, "spenta" has already got a ready-to-cater market which is vast. At present there are only 3-4 major socks exporters in the country that can meet the International quality standards, hence "spenta" with increased capacities is all set to grow rapidly. Low quality low priced unbranded socks cater to the major portion of the socks market in the country.

China the production house of the world is still real threat to the industry. The privileges enjoyed by the Chinese manufacturers have to be reciprocated by offering few privileges if not all to Indian textile industry. Hence the fluctuating raw material prices & cheap quality socks manufactured by China that are dumped in to the Indian market are a major threat to the Indian socks industry. Continuous increase in interest rates by banks and institutions will result in decrease in profits.

Your Company through efficient production management system, automation and modernization is confident of minimizing the risks that may be arising by overall increase in cost of production.

C) SEGMENT - WISE OR PRODUCT WISE PERFORMANCE:

The Company has one segment of activity namely socks, in line with the definition of "segment" as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The performance of the Company is discussed separately in the Directors' Report.

D) OUTLOOK:

The Textile & hosiery Industry in India is expected to grow dramatically in the coming years, the reason being the increase in the number of people using the same. According to the textile ministry report the textile and hosiery industry in India will continue to thrive at a growth rate of 7% - 8% for the next five years. The demand for cotton socks is rising as more and more health conscious consumers prefer to have cotton socks over viscose or nylon socks which are of low quality.

E) RISKS AND CONCERNS:

The socks industry is raw material intensive both by value and the number of raw materials that are used to manufacture socks. Availability of raw materials and their rising prices are a major concern for the industry. A hike in the price of various yarns raises input costs. The number of varieties of socks is very large and a sufficient stock of every variety has to be maintained at all levels of the distribution channels thereby resulting in a sizeable amount of stocks. Hence the working capital requirements are high. In this context, your Company feels proud to inform its shareholders that the Company has successfully addressed this issue by putting system in place to forecast and monitor inventory requirements and levels thereby facilitating efficient inventory management. The competitive nature of the industry requires that the socks industry spend amounts towards installing stands, P.O.P materials at dealer outlets in order to provide the customers with a wide choice of socks. Besides, customer preferences can change fast resulting in obsolescence of certain varieties of socks in the inventory. In the present competitive environment, brand differentiation is extremely important, which entails heavy advertising expenditure. Depressed demand conditions in the end user industries results in increased credit periods to customers, resulting in blockage of working capital. Besides, like any other industry, demand for socks is affected by the downturn in the economy, natural disasters, manmade disasters like social unrest, transport strikes, etc.

F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company is following a proper and adequate system of internal control in respect of all its activities including safeguarding and protecting its assets against loss or unauthorized use or disposition. Further all transactions entered in to by the company are duly authorised, recorded correctly. The Board closely watches and monitors all expenses incurred on various heads. The attempt is made to reduce cost centres. All policies and procedures and guidelines have been documented. Your company is using advanced customized software system, which is upgraded time to time to suit the system need of the Company.

G) CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise and forward looking statements, on the basis of any subsequent development, information or events.

Place : Mumbai

Date : 31/07/2009

On behalf of the Board of Directors

Sd/-

SANJAY GADODIA
(Chairman)

Annexure 3
COMPLIANCE CERTIFICATE

Regn. No. of the Company: U28129MH1986PLC040482.

Nominal Capital: 3,50,00,000/-

To,

THE MEMBERS,

SPENTA INTERNATIONAL LIMITED

Regd. Office: Plot No.13, 14, 15 & 16, Dewan Industrial Estate,
Village Navali, Palghar – 401 404.

We have examined the registers, records, books and papers of **SPENTA INTERNATIONAL LIMITED**, ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31ST MARCH, 2009** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under and the rules made there under and wherever the documents are filed late, the additional fees have been paid.
3. The Company being a Public Limited Company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met **(5) Five** times on 30/04/2008, 30/06/2008, 31/07/2008, 31/10/2008 and 31/01/2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from Thursday, 11th September, 2008 to Thursday, 18th September, 2008 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on **31ST MARCH, 2008** was held on **18th September, 2008** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose. No extra ordinary general meeting was held during the financial year.
7. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred to under Section 295 of the Act.
8. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
9. The Company has made necessary entries in the register maintained under Section 301 of the Act
10. The Company was not required to obtain an approval from the Board of Directors, members pursuant to section 314 of the Act.
11. The Company has not issued any duplicate certificates during the Financial Year.
12. The Company has :
 - i) Approved transfer of 2,100 Equity shares of Rs.10/- each on 31st March, 2009. There was no allotment of securities during the financial year.
 - ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii) Not paid dividends to any members within a period of 30 (thirty) days from the date of declaration, as no dividend was declared.
 - iv) Not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a Period of seven years, to Investor Education and Protection Fund

Fund as no amount in respect of the above were lying in the books of accounts of the Company is to be transferred.

v) Duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. Mr. Milind Vinod resigned w.e.f. 31st October, 2008. There were no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The company has re-appointed Mr. Sanjay Gadodia as Whole-time Director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975, during the financial year under review.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2009 is /are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual / extraordinary general meeting.
25. The Company has made investments in other bodies corporate and consequently entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to the share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provision of Section 418 of the Act are not applicable to the Company during the financial year.

FOR HS ASSOCIATES
COMPANY SECRETARY :

Sd/-
HEMANT SHETYE
PARTNER
C.P. No.: 1483.

DATE: 31st July, 2009
PLACE: Mumbai

ANNEXURE "A"

REGISTERS AND RECORDS MAINTAINED BY THE COMPANY

- a) Register of members under Section 150.
- b) Register of Transfers.
- c) Registers and Returns under Section 163.
- d) Register of Contracts under Section 301.
- e) Register of Directors, Managing Director, manager and secretary under Section 303.
- f) Register of Director's shareholdings under Section 307.
- g) Register of Inter Company investments under Section 372A.
- h) Register of Charges under Section 143.
- i) Register of Share application and allotment.
- j) Minutes Book under Section 193.
- k) Books of Account under Section 209.

ANNEXURE "B"

**FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES
DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2009.**

SrNo	Forms	Sections	Date of filing	Particulars
1	Form 62		27/6/08	Filing of return of deposit
2	Form 62		28/7/08	Filing of Statement in Lieu of Advertisement.
3	Form 23B		08/10/08	Appointment of Statutory Auditors
4	Form 23AC and ACA	Sec. 220	08/10/08	Balance Sheet and Profit/Loss Account for Financial Year ended 31st March, 2008.
5	Din 3		30/08/08	Filing of Din 3 for the Director
6	Din 3		31/10/08	Filing of Din 3 for the Director
7	Din 3		19/11/08	Filing of Din 3 for the Director
8	Form 20B	Sec.159	20/11/08	Filing of Annual Return for the year 2008.
9	Form No.32	Sec.266	01/11/2008	Resignation of Director.

FOR HS ASSOCIATES
COMPANY SECRETARY :

Sd/-
HEMANT SHETYE
PARTNER
C.P. No.: 1483.

DATE: 31st July, 2009
PLACE: Mumbai

Annexure -4

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

1. Company's philosophy:

The Company's philosophy of corporate governance stems out from its belief that timely disclosures, transparent accounting policies, and a strong and independent Board go a long way in preserving shareholders trust while maximizing long term corporate values.

Keeping in view the Company's size and complexity in operations, the company's corporate governance framework is based on the following main principles:

- a. Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas.
- b. Timely and accurate disclosure of all material operational and financial information to the stakeholders.

The Securities and Exchange Board of India (SEBI) through clause 49 of the listing agreement with the stock exchanges regulates corporate governance for listed companies. Spenta International Limited is in compliance with clause 49.

2. Board of Directors:

The Board of the Company comprises of Six Directors out of which Chairman is Whole Time Director while other two Directors are Managing Director & Whole Time Director respectively. The other three Directors are independent Directors. There are no nominee or Institutional Directors in the Company.

None of the Directors have pecuniary or Business relationship with the Company other than as mentioned elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is a Director.

Non Executive Directors:

As per revised code of Corporate Governance, the composition of the Board should be as such that the Board of Directors of the company shall have an optimum combination of executive and non-executive Directors with not less than fifty percent of the Board of Directors comprising of Non Executive Directors. Due to resignation of an Independent Director the composition of the Board is not in compliance with clause 49 of the listing agreement and the Board is in the process of adopting the same.

Sr. No.	Name of Director	Category	No. of Board meetings Attended	Attendance at last AGM	No. of Other Directorship*	No. of Membership in other Board Committees
1.	Mr. Sanjay S. Gadodia	Chairman & Whole Time Director	5	Yes	1	Nil
2.	Mr. Danny F. Hansotia	Managing Director	5	Yes	1	Nil
3.	Mr. Sandeep S. Gadodia	Whole Time Director	5	Yes	Nil	Nil
4.	**Mr. Milind Vinod	Independent Non Ex-Director	4	No	Nil	Nil
5.	Mrs. Meena Sehra	Independent Non Ex-Director	5	No	Nil	Nil
6.	Mr. Chetan Rathod	Independent Non Ex-Director	5	No	Nil	Nil

*Directorship in Companies registered under the Companies Act, 1956, excluding Directorship in Private Companies & alternate Directorship. ** Resigned on 31 / 10 / 08

During the year there were in total 5 (Five) Board Meetings were held i.e. on 30/04/2008, 30/6/2008, 31/7/08, 31/10/2008 and 31/01/2009 The time gap between any two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Details of Directors Seeking Appointment / Reappointment at the Forthcoming Annual general meeting (pursuant to clause 49 (IV)(G)(i) of the Listing Agreement)

Name of the Director	Mrs. Meena Sehra	Mr. Sanjay Gadodia
Age	43	44
Qualification	Diploma in fashion designing	B.Com
Expertise in specific functional areas	Almost 14 years experience in Business communication, advertising and fashion designing	Almost 20 Years Experience in Textile Industry.
Directorship in other Indian Public Limited Company & other firms as on 31.03.2009	NIL	NIL
Shareholding	NIL	4,69,100

3. Audit Committee:

Pursuant to the provisions of section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement, an Audit Committee shall have minimum three directors as members, two-thirds of the members of the audit committee shall be independent directors. The audit committee was reconstituted on 31st October, 2008.

The Attendance at the Audit Committee Meeting was as under:

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Milind Vinod - Chairman and Independent non Executive Director (Upto 31st October, 2008)	5	4
Mr. Chetan Rathod - Member and Independent Non Ex. Director	5	5
Mrs. Meena Sehra - Member and Independent Non Ex. Director (w.e.f. 31st October, 2008)	1	1
Mr. Danny Hansotia Member, CFO and Managing Director	5	5

Board terms of reference of the Audit Committee are as per following:

- Approving and implementing the Audit procedures and techniques.
- Reviewing audit reports of statutory auditors with auditors and management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performance of statutory auditors and adequacy of the internal control systems.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Approval of Related party Transactions
- Reviewing accounting treatment and confirmation of the fact that financial statement are giving true and fair view.

4. Remuneration Committee

The Stock Exchange Listing Agreement stipulates that the Remuneration Committee should comprise of at least three Non Ex. Independent Directors. Accordingly the company constituted remuneration committee comprising of Non executive and Independent Directors.

Following are the members of the Committee:

1. Mr. Chetan Rathod - Chairman and Independent Non Ex. Director.
2. Mr. Milind Vinod (up to 31st October, 2008) - Chairman and Independent non Executive Director.
3. Mrs. Meena Sehra - Member and Independent Non Ex. Director.
4. Mr. Sandeep Gadodia – Member and Whole time Director (w.e.f. 31st October, 2008).

The Remuneration Committee Met once during the year on 1st July, 2008

Disclosure on Remuneration of Directors.

1. All elements of remuneration package of individual directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. All these managerial persons are drawing only remuneration, the details of the same are mentioned elsewhere in this report in detail.
2. Details of fixed component and performance linked incentives, along with the performance criteria - NIL
3. Service contracts, notice period, severance fees - NIL
4. Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL

Details of remuneration paid to Directors for the year ended 31st March, 2009

Executive Directors

(Amt. In Rupees)

Name	Salary	Commission	Perquisites	Retirement Benefits
Mr. Danny Hansotia (Managing Director)	7,20,000	NIL	1,80,000	NIL
Mr. Sanjay Gadodia (Whole Time Director)	7,20,000	NIL	1,80,000	NIL
Mr. Sandeep Gadodia (Whole Time Director)	3,00,000	NIL	75,000	NIL

Following is the list of Non-Executive Directors and their Shareholdings in the Company.

Sr. No.	Name of the Non-Executive Directors	Number of Equity Shares	Sitting fees	Non convertible Instruments
1.	Mr. Chetan Rathod - Independent Non Ex. Director	Nil	Nil	Nil
2.	Mrs. Meena Sehra - Independent Non Ex. Director.	Nil	Nil	Nil

5. Shareholders/Investors Grievance Committee

The Shareholder/Investors Grievance Committee has been constituted. The committee consists of two Non Ex. & Independent Directors & One Whole Time Director. The Committee was chaired by Mr. Milind Vinod. After his resignation Mr. Chetan Rathod was elected as the Chairman of the Committee w.e.f. 31st October, 2008. The committee looks into the shareholder and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters. The Committee was reconstituted on 31st October 2008.

Following are the members of the Committee.

1. Mr. Chetan Rathod - Chairman and Independent Non Executive Director.
2. Mrs. Meena Sehra - Member and Independent Non Executive Director.
3. Mr. Milind Vinod - Chairman and Independent Non Executive Director. (up to 31st October, 2008)
4. Mr. Sandeep Gadodia - Member and Compliance Officer (w.e.f. 31st October, 2008)

The committee met 4 times during the year under review on 30th April, 2008, 31st July, 2008, 31st October, 2008, 31st January, 2009.

The Attendance at the Shareholders/Investors Grievance Committee Meeting was as Under:

Director	No. of Committee meetings held	No. of Committee meetings attended
Mr. Chetan Rathod - Member and Independent Non Ex. Director	4	4
Mr. Milind Vinod - Chairman and Independent Non Ex Director (upto 31st Oct., 2008)	4	2
Mrs. Meena Sehra - Member and Independent Non Executive Director	4	4
Mr. Sandeep Gadodia - Compliance Officer. (w.e.f. 31st Oct., 2008)	4	1

The company received 5 Complaints from the shareholders during the year, out of which Non were pending at the end of the year. Further, during the year, requests for transfer of 2,100 Shares in physical form were received and processed for transfer.

Name, designation & address of Compliance Officer:

Mr. Sandeep Gadodia, Compliance Officer,
86 & 87, Mahendra Chambers, 2nd Floor, 134/136, D.N. Road,
Fort, Mumbai – 400 001. Tel No.: 22076396. Fax No.: 22074378

6. General Body Meetings

Details of last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2005 - 06	31st August, 2006	11.30 a.m.	Regd. Office	N.A.
2006 - 07	30th August, 2007	11.30 a.m.	Regd. Office	N.A.
2007 - 08	18th September 2008	11.30 a.m.	Regd. Office	N.A.

No special resolutions were put through postal ballot as all the above special resolutions were voted unanimously by show of hands.

7. Disclosures : During the year under review, besides the transactions reported elsewhere, there were no other related party transactions with the Promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large. There were no instances of Non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI. Being non – mandatory item the Company has not adopted the Whistle Blower Policy but is in the process of adopting the same.

The Company has complied with all the mandatory provisions of corporate governance except 49 1(A) (i) and (ii) and is in the process of regularising the same.

8. Means of Communication:

The un-audited results are usually published in English in "The Free Press Journal" news paper and in Marathi in "Navshakti" News paper.

Company has its own website in the name of www.spentasocks.com on which all the corporate information is made available to the general public. It also displays all the official new releases and the presentations made to Institutional Investors.

However there was no presentation made during the year either to Institutional Investors or to the analysts.

Management discussion & Analysis Report is attached herewith forming part of this Annual Report.

9. General Shareholders Information:

- i. The 22nd Annual General Meeting is scheduled to be held on Wednesday, 30th September 2009 at 10.30 a.m. at Regd. Office of the Company.
- ii. The Financial year of the company is from April to March.
The financial calendar is as per following.

First quarter results (30th June)	End of July
Mailing of Annual Reports	Fourth week August
Annual General Meeting	30th September 2009
Payment of Dividend	N.A.
Second quarter results (30th September)	End of October
Third quarter results (31st December)	End of January
Fourth quarter / Annual Results	End of June

- iii. Book Closure dates are from **Wednesday the 23rd September, 2009 to 30th September, 2009 (both days inclusive).**
- iv. The Board of Directors have not proposed any dividend for the current financial year.
- v. The company's shares are listed at Mumbai & Ahmedabad Stock Exchanges out of which Mumbai is a Regional Stock Exchange. The Listing Fees for the year 2009-10 for all these Stock Exchanges have been paid.
- vi. **Stock Code:**
BSE: 526161; ASE: 56470.
Demat ISIN No. Of NSDL & CDSL: INE 175C01018

vii. Market Price Data.

Months Price	Price		(No. of Shares)
	High	Low	
April - 08	13.89	10.00	9227
May - 08	12.59	10.05	22559
June - 08	12.19	10.91	3262
July - 08	11.59	9.00	19853
August - 08	11.49	8.50	18879
September - 08	10.00	7.15	16986
October - 08	8.64	6.47	17104
November - 08	11.80	8.58	1778
December - 08	12.37	6.44	525
January - 09	8.40	5.92	8786
February - 09	7.99	4.17	339
March - 09	7.98	4.16	24133

viii. Registrar and Transfer Agent.

The name and address of Company's Transfer Agent is as per following:

Link Intime India Pvt. Ltd.
Add.: C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup Mumbai 400 078

ix. Share Transfer System:

Share Transfer in physical form can be lodged with M/s. Link Intime India Pvt. Ltd. at the above mentioned address. The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. The Shares in dematerialized mode are transferred through depositories.

x. Distribution of Shareholding as on 31st March, 2008.

Share holding of	Nominal Value of	Shareholders No.	% of Total	Share Amt.	% of Total
Rs.	Rs.			Rs.	
1	5000	3296	90.7990	4717040	15.1580
5001	10000	160	4.4080	1336230	4.2940
10001	20000	70	1.9280	1070890	3.4410
20001	30000	34	0.9370	870570	2.7980
30001	40000	12	0.3310	448500	1.4410
40001	50000	12	0.3310	568150	1.8260
50001	100000	20	0.5510	1633700	5.2500
100001	*****	26	0.7160	20473920	65.7920
TOTAL		3630	100.0000	31119000	100.0000

xi. Dematerialization of shareholding: 39.57% of the paid up share capital has been dematerialized.

xii. Company has not issued either ESOP or any GDRs/ADRs/Warrants/Convertible instrument.

xiii. Plant Locations.

The Company's Plant is located as under.

Plot Nos. 13, 14, 15, 16 & 40 (PART) & 40/2,
Dewan Industrial Estate,
Village Navali, Palghar(W).

xiv. Address for correspondence:

Shareholders of the company can send correspondence at company's share & Transfer Agent's Office or at the administration office of the company situated at following address:

86 & 87, Empire Building,
2nd Floor, 134/136, D.N. Road,
Fort, Mumbai 400 001.
Tel No.: 22076396.
Fax No.: 22074378.

COMPANY SECRETARY IN PRACTICE'S REPORT ON CORPORATE GOVERNANCE

To,
The Board of Directors,
SPENTA INTERNATIONAL LIMITED.
Plot Nos. 13, 14, 15, 16 & 40 (PART) & 40/2,
Dewan Industrial Estate,
Village Navali, Palghar (W)

We have reviewed the implementation of Corporate Governance produced by the company during the year ended **31st March, 2009** with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in the Clause 49 of the Listing Agreement with the Stock Exchanges. except Clauses No. 491(A)(i) and (ii)

We further state that our examination of such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR HS Associates
Company Secretaries

Sd/-

DATE : 31st July, 2009
PLACE : MUMBAI

HEMANT S. SHETYE
(Partner)
FCS - 2827
COP - 1483

CEO/CFO CERTIFICATION

To,
The Board of Directors,
SPENTA INTERNATIONAL LIMITED.
Plot Nos. 13, 14, 15, 16 & 40 (PART) & 40/2,
Dewan Industrial Estate,
Village Navali, Palghar (W)

We, Sanjay Gadodia CEO and Danny Hansotia, CFO of the Company do hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We further certify that:
- There have been no significant changes in internal control during the year;
 - There have been no significant changes in accounting policies during the year.
 - There have been no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

FOR SPENTA INTERNATIONAL LIMITED

Sd/-

SANJAY GADODIA
(CEO)

Date: 31st July, 2009
Place: Mumbai.

FOR SPENTA INTERNATONAL LIMITED

Sd/-

DANNY HANSOTIA
(CFO)

DECLARATION

I, Sanjay Gadodia, CEO of the Company hereby declare that all Board members and senior management personnel have affirmed compliance with the code on an annual basis.

FOR SPENTA INTERNATIONAL LIMITED

SANJAY GADODIA
(CEO)

Date: 31st July, 2009
Place: Mumbai.

AUDITORS REPORT

To
THE SHARE HOLDERS OF
SPENTA INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **M/s. SPENTA INTERNATIONAL LIMITED** ("the Company") as at 31st March, 2009 and the Profit and Loss account and Cash flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order 2003 and amended CARO 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in 2 above, we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of accounts.
 - c) The Balance Sheet & Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion and read with Note No. 1 (a) of Schedule "U" regarding "Employee Benefits", the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from all the Directors as on 31st.March, 2009, and taken on record by the Board of Directors. We report that none of the directors are disqualified as on 31st.March, 2009, from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss accounts read with the schedules give the information required by the Companies Act 1956 in manner so required give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as at **31st.March, 2009**
 - (ii) in the case of the Profit & Loss account of the profit of the company for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

PLACE : MUMBAI
DATE : 30th June, 2009.

For **A. R. PARIKH & CO.,**
Chartered Accountants
Sd/-
(Ameet R. Parikh)
(Proprietor)

ANNEXURE TO THE AUDITORS REPORT

REFERRED TO IN THE PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SPENTA INTERNATIONAL LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007.

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management during the year as per the phased program which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No Material discrepancies were noticed on such verifications.
 - c) In our opinion the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company has not affected.

2. In respect of its inventories:
 - 1) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - 2) In our opinion and to the best of our information and according to explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
 - 3) In our opinion and to the best of our information and according to explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

3. In our opinion and to the best of our information and according to explanations given to us, the Company has taken Rs.76,04,018/- Unsecured Loan, from the companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. The Company has granted an amount of Rs.Nil as Loan to a company covered in the register maintained under section 301 of the Companies Act, 1956.
 - 1) In our opinion the rate of interest and other terms and conditions on which loan has been granted to a Company listed in the register maintained under Section 301 of the Companies Act, 1956 is not prima facie prejudicial to the interest of the Company.
 - 2) The party has repaid the principal amount as stipulated and has been regular in the payment of interest.
 - 3) There is no overdue amount of loan granted to Company listed in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and to the best of our information and according to explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, We have not observed any continuing failure to correct major weaknesses in internal control system.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
 - a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - 2) According to the information and according to explanations given to us, where each of such transactions (excluding those reported under paragraph 4 above) is in excess of Rs. 500,000/- in respect of each party during the year. The transactions have been made at prices which are prima facie reasonable having regards to the prevailing market prices at the relevant time. No comparison of prices could be made as the Company informed us that there are no comparable market prices / alternate source of supply.

6. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule, 1975, with regard to the deposits accepted from the public.
7. In our opinion the Company has an adequate internal audit system commensurate with the size and nature of the business of the Company.
8. In our opinion and as per the explanations given to us the company is not required to maintain accounts and records as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
9. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Cess in arrears, as at 31st March, 2009, for a period of more than six months from the date they became payable other than those stated below.

Name of the Statute	Nature of Dues	Amount in (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income tax Act, 1961.	Income tax Demand	2,76,287/-	F. Y. 2002-03	Income Tax Appellate Tribunal, Mumbai.
The Income tax Act, 1961.	Income tax Demand	3,85,961/-	F.Y.2001-02	Income Tax Appellate Tribunal, Mumbai.

10. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanations given to us, the company has not defaulted in repayments of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. The provision of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
14. In our opinion the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions is not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on overall examination of Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. During the year the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
20. The Company has not raised any monies by way of public issue during the year.
21. Based on the audit procedures performed and the representation obtained from the management, we report that no fraud on or by the Company, having a material misstatement on the financial statements has been noticed or reported during the year under audit.

PLACE : MUMBAI
DATE : 30th June, 2009.

For **A. R. PARIKH & CO.**
Chartered Accountants
Sd/-
(Ameet R. Parikh)
(Proprietor)
Membership No. 38188

SPENTA INTERNATIONAL LIMITED
BALANCE SHEET AS ON 31st MARCH, 2009

PARTICULARS	Schedules	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
SOURCES OF FUNDS			
Shareholder Funds			
Share Capital	A	31,154,000	31,154,000
Reserves & Surplus	B	77,595,102	64,702,398
Loan Funds			
Secured Loans	C	46,271,808	47,753,661
Unsecured Loans	D	7,944,114	10,940,792
Deffered Tax Liability	E	4,236,980	8,127,905
TOTAL		167,202,003	162,678,756
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	F	151,020,586	149,824,466
Less : Depreciation		53,135,337	39,918,067
Net Block		97,885,249	109,906,399
Capital Work-in-Progress		-	-
Investments			
	G	10,000,000	-
Current Assets, Loans & Advances :			
a) Inventories	H	22,281,206	25,461,151
b) Sundry Debtors	I	32,644,389	25,636,586
c) Cash & Bank Balances	J	19,884,959	17,546,434
d) Loans & Advances	K	33,345,833	20,227,320
		108,156,388	88,871,492
Less : Current Liabilities :			
a) Current Liabilities	L	23,631,105	17,894,605
b) Provisions	M	25,208,530	18,204,530
		48,839,635	36,099,134
Net Current Assets		59,316,753	52,772,357
Miscellaneous Expenditure (To the extent not written off or adjusted)	N	-	-
TOTAL		167,202,003	162,678,756

Significant Accounting Policies & Notes on Accounts form a integral part of Final Accounts As per our report of even date

For A. R. Parikh & Co.,
Chartered Accountants
AMEET R. PARIKH
Proprietor
Membership No. 38188
PLACE : Mumbai
DATE : 30th June, 2009

U

For and behalf of the Board
Sd/-
Sanjay S Gadodia (Chairman)
Danny F Hansotia (Managing Director)
Sandeep S Gadodia (Whole Time Director)
Place : Mumbai
Date : 30th June, 2009

SPENTA INTERNATIONAL LIMITED.
Profit and Loss Account for the year ended 31st March, 2009.

	Sch.	2008-09 (Rs)	2007-08 (Rs)
INCOME			
Sales	O	183,903,755	154,278,345
Other Income		846,668	1,009,798
Increase / (Decrease) in Stocks	P	(5,308,614)	5,531,232
		179,441,808	160,819,375
EXPENDITURE			
Consumption of Raw Material	Q	97,460,953	88,074,941
Manufacturing expenses	R	29,942,314	24,234,583
Administrative and Other expenses	S	16,333,466	11,665,070
Interest & Finance expenses	T	6,876,026	7,273,582
Depreciation	F	13,217,270	12,903,308
Miscellaneous Expenditure Written/Off	N	-	296,270
		163,830,029	144,447,755
Extraordinary Items (net of taxes)		-	-
Profit before Tax		15,611,779	16,371,620
Provision for Taxation			
- Current Tax		6,500,000	5,801,900
- Deferred Tax (Net)		(3,890,925)	(263,898)
- Fringe Benefit Tax		110,000	85,000
Profit after Tax		12,892,704	10,748,618
Appropriation			
Balance b/fd from previous year		62,702,400	51,953,782
Profit / Loss for the Current Year		12,892,704	10,748,618
Trf to General Reserve		-	-
Surplus / (Deficit) carried to Balance sheet		75,595,103	62,702,400
Earning Per Share			
Basic & Diluted [Nominal Value of Share Rs.10/- (P.Y : Rs.10/-)]			
- Computed on the basis of earning including Extra Ordinary Items		4.14	3.45
- Computed on the basis of earning excluding Extra Ordinary Items		4.14	3.45

Significant Accounting Policies & Notes on Accounts form a integral part of Final Accounts

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As per our report of even date

For and behalf of the Board

For A. R. Parikh & Co
Chartered Accountants

Sd/-

Ameet R. Parikh
(Proprietor)
Membership No : 38188
Place : Mumbai
Date : 30th June, 2009

Sanjay S Gadodia (Chairman)
Danny F Hansotia (Managing Director)
Sandeep S Gadodia (Whole Time Director)

Place : Mumbai
Date : 30th June, 2009

SPENTA INTERNATIONAL LIMITED
SCHEDULES FORMING PART OF STATEMENT OF ACCOUNTS
SCHEDULE "A" : SHARE CAPITAL

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Authorised Share Capital 35,00,000 Equity Shares of Rs.10/- each (March 31, 2009 : 35,00,000 Equity Shares of Rs.10/- each)	35,000,000	35,000,000
Issued Share Capital 31,20,000 Equity Shares of Rs.10/- each (March 31, 2009 : 31,20,000 Equity Shares of Rs.10/- each)	31,200,000	31,200,000
Subscribed and Paid up Share Capital 31,11,900 Equity Shares of Rs.10/- each (March 31, 2009 : 31,20,000 Equity Shares of Rs.10/- each) Less : Allotment Money due	31,159,500 5,500	31,159,500 5,500
TOTAL	31,154,000	31,154,000

SCHEDULE "B" : RESERVES & SURPLUS

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
(a) Capital Reserves State Capital Subsidy	2,000,000	2,000,000
(b) Profit & Loss Accounts Opening Balance Add : Current Year's Profit	62,702,398 12,892,704	51,953,780 10,748,618
TOTAL	77,595,102	64,702,398

SCHEDULE "C" : SECURED FUNDS

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Term Loans From Financial Institution	19,900,000	29,100,000
Working Capital Loans From Bank	26,371,808	18,653,661
TOTAL	46,271,808	47,753,661

SCHEDULE " F " : FIXED ASSETS.

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Opening as on 1-4-08	Adjustment	Addition	Closing as on 31-03-08	Opening Up to 31-3-08	For the Year 2008-2009	Written Back	Total as on 31-3-09	Closing as on 31-3-09	Opening as on 1-4-08
1	Free Hold Land	6,236,894	-	-	6,236,894	-	-	-	-	6,236,894	6,236,894
2	Building & Civic Works	21,163,240	-	-	21,163,240	3,218,830	706,852	-	3,925,682	17,237,558	17,944,410
3	Plant & Machinery	103,345,814	-	-	103,345,814	29,764,720	10,643,728	-	40,408,448	62,937,366	73,581,094
4	Office Equipments	251,057	-	158,690	409,747	251,057	6,843	-	257,900	151,847	-
5	Computers	687,744	-	356,511	1,044,255	477,584	120,155	-	597,739	446,516	210,160
6	Furniture & Fixtures	2,037,719	-	114,308	2,152,027	619,663	131,169	-	750,832	1,401,195	1,418,056
7	Misc.Fixed Assets.	12,676,652	-	508,721	13,185,373	4,778,582	1,335,547	-	6,114,129	7,071,244	7,898,070
8	Motor Cars	2,727,535	-	57,891	2,785,426	783,855	261,602	-	1,045,457	1,739,969	1,943,680
9	Flat At Palghar	697,810	-	-	697,810	23,776	11,374	-	35,150	662,660	674,034
	TOTAL	149,824,465	-	1,196,121	151,020,586	39,918,067	13,217,270	-	53,135,337	97,885,249	109,906,398
	Previous Year	134,789,665	-	15,034,799	149,824,464	27,014,759	12,903,308	-	39,918,067	109,906,397	107,774,906



SCHEDULE FORMATING PART OF BALANCE SHEET

SCHEDULE "D" : UNSECURED LOANS

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
From Directors	2,530,925	2,884,065
From Corporates	1,056,947	5,334,733
From Others	2,156,242	521,994
Fixed Deposits	2,200,000	2,200,000
TOTAL	7,944,114	10,940,792

SCHEDULE "E" : DEFERRED TAX LIABILITY

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Opening Balance	8,127,905	8,391,803
Add : For the year	(3,890,925)	(263,898)
TOTAL	4,236,980	8,127,905

SCHEDULE "G" : INVESTMENT

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Vyas Developers	10,000,000	-
TOTAL	10,000,000	-

SCHEDULE "H" : INVENTORIES

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Raw Material	11,893,315	9,427,525
Finished Goods	8,567,778	13,676,392
Packing Material	1,620,113	1,957,234
Spares & Consumables	200,000	400,000
TOTAL	22,281,206	25,461,151

SCHEDULE "I" : SUNDRY DEBTORS

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Debts outstanding for a period exceeding six months	83,539	387,499
Other Debts	32,560,850	25,249,088
TOTAL	32,644,389	25,636,586

SCHEDULE "J" : CASH AND BANK BALANCES

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Cash on hand	49,915	60,014
Balance with Bank		
In Current Accounts :		
With Schedule Banks	1,222,344	4,609,338
In Fixed Deposit Accounts :		
With Schedule Banks	18,612,700	12,877,082
TOTAL	19,884,959	17,546,434

SCHEDULE "K" : LOANS & ADVANCES

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Advance Taxes	23,614,018	17,118,210
Prepaid Expenses	246,599	235,423
Other Loans and Advances	5,995,041	228,862
Interest Receivables	2,423,440	1,811,078
Loan to Staff	417,676	305,647
Deposits	649,060	528,100
TOTAL	33,345,833	20,227,320

SCHEDULE "L" : CURRENT LIABILITIES

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Sundry Creditors	23,187,158	17,505,529
Duties and Taxes	443,947	389,076
TOTAL	23,631,105	17,894,605

SCHEDULE "M" : PROVISIONS

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
Provision for Taxation	23,217,568	16,607,568
Provision for Gratuity	1,990,962	1,596,962
TOTAL	25,208,530	18,204,530

SCHEDULE "N" : MISCELLANEOUS EXPENDITURE

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
(To the extent not written off or adjusted)		
Pre-operative Expenses	-	296,270
Less : Written off during the year	-	296,270
TOTAL	-	-

SCHEDULE "O" : SALES

PARTICULARS	Amount (Rs.) As at 31 ST March 2009	Amount (Rs.) As at 31 ST March 2008
Exports Sales & Entitlement	-	5,066,647
Local Sales	183,903,755	149,211,698
TOTAL	183,903,755	154,278,345

SCHEDULE "P" : INCREASE / (DECREASE) IN STOCKS

PARTICULARS	Amount (Rs.) As at 31 ST March 2009	Amount (Rs.) As at 31 ST March 2008
Opening Stock		
Finished Goods	13,676,392	8,270,160
Spares & Consumables	400,000	275,000
	14,076,392	8,545,160
Less : Closing Stocks		
Finished Goods	8,567,778	13,676,392
Spares & Consumables	200,000	400,000
	8,767,778	14,076,392
TOTAL	(5,308,614)	5,531,232

SCHEDULE "Q" : COMSUMPTION OF MATERIAL

PARTICULARS	Amount (Rs.) As at 31 ST March, 2009	Amount (Rs.) As at 31 ST March, 2008
(a) Raw Material		
Opening Stocks	9,427,525	7,491,038
Add : Purchases	82,471,447	72,492,435
Less : Closing Stocks	11,893,315	9,427,525
	80,005,657	70,555,948
(b) Packing Material		
Opening Stocks	1,957,234	684,737
Add : Purchases	10,920,066	9,976,865
Less : Closing Stocks	1,620,113	1,957,234
	11,257,187	8,704,368
(c) Socks Purchases		
Opening Stocks	-	-
Add : Purchases	6,198,108	8,814,625
Less : Closing Stocks	-	-
	6,198,108	8,814,625
TOTAL	97,460,953	88,074,941

SCHEDULE "R" : MANUFACTURING EXPENSES

PARTICULARS	Amount (Rs.) As at 31 ST March 2009	Amount (Rs.) As at 31 ST March 2008
Carriage Expenses	3,233,637	2,727,405
Consumables Stores & Spares	1,584,597	885,520
Diesel Expenses	634,079	471,488
Embroidery charges	1,351,767	943,482
Factory Employee's & Labour's Benefits	5,955,815	4,435,780
Welfare Expenses	484,806	491,272
Bonus to Staff	1,084,825	819,784
Provident Fund Employer's Contribution	612,235	452,790
Gratuity Factory	329,710	306,156
Factory Expenses	338,681	242,083
Hamali Charges	54,770	60,590
Job Work Charges	44,074	20,116
Octroi Charges	115,386	202,086
Oil Purchases	149,816	147,490
Other Miscellaneous Expenses	4,749	11,612
Packing Charges	6,402,975	5,693,603
Power - Factory	7,379,831	6,222,794
Testing Charges	83,059	45,291
Washing Charges	97,502	55,242
TOTAL	29,942,314	24,234,583

SCHEDULE "S" : ADMINISTRATIVE AND OTHER EXPENSES

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31 ST March 2009	As at 31 ST March 2008
Advertisement & Publicity	23,732	27,637
Auditors Remuneration	308,442	119,458
Bad Debts.	214,581	-
Bonus To Distributors	264,695	83,166
Other Miscellaneous Expenses	5,000	5,815
Business Promotion	396,403	322,924
Car Insurance	27,606	24,949
Discount Given	2,205,730	2,685,454
Claims & Shortages	1,006,007	200,611
Commission on Sales	543,549	732,953
Communication Expenses	413,253	388,088
Conveyance	369,598	305,042
Courier & Postage Charges.	165,320	178,018
Directors' remuneration	1,885,000	1,885,000
Electricity Expenses	168,992	137,878
Foreign Travel	296,454	-
Gratuity (Directors)	60,000	55,385
Gratuity (Office)	14,000	12,461
Salaries & Wages - Office	343,809	114,250
Insurance	397,572	389,048
Legal Licence fees	68,083	85,783
Listing Fees	27,445	26,528
Membership & Subscription	32,843	43,174
Miscellaneous expenses	217,677	47,567
Municipal Tax	198,742	184,613
Mumbai Sales Diff. Balance W/o	7,407	-
Office Expenses	30,595	33,594
Printing & Stationery	332,119	251,747
Profession Tax	2,500	-
Legal & Professional Fees	117,960	201,285
Loss Due to Fire (Stock)	2,119	-
Exchange Gains / (Loss)	-	51,757
Rent	495,000	538,000
Repair & Maintenance	4,360,828	1,276,020
Security Charges	572,158	489,762
Service Tax paid	729	7,999
Transfer Agent Fees	136,129	108,855
Travelling expenses	263,167	391,368
Vehicle Running Expenses	358,223	258,883
TOTAL	16,333,466	11,665,070

SCHEDULE "T" : INTEREST & FINANCE CHARGES

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31 ST March 2009	As at 31 ST March 2008
Interest on Term Loan	2,137,921	2,705,375
Interest on Short Term Loan	625,644	832,084
Interest on Fixed Deposits	249,996	249,996
Interest on Working Capital	2,358,890	1,763,566
Interest on Bill Discounting	1,284,184	1,135,030
Bank Charges	82,721	258,658
Interest - Others	136,670	328,874
TOTAL	6,876,026	7,273,582

Significant Accounting Policies and Notes to Accounts

SCHEDULE "U".

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basic of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard 15 "Employee Benefits", and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Share Capital

The paid up Share Capital includes Rs.40,500/- (Previous year Rs.40,500/-) on account of forfeited shares.

(d) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation, (net of Cenvat, wherever applicable) Cost is inclusive of freight, duties, levies & any directly attributable cost of bringing the assets to their working condition for intended use.

(e) Depreciation

Depreciation on Fixed Assets has been provided on straight - line method in accordance with the rates and in manner prescribed under Schedule XIV of the Companies Act, 1956. On Plant & Machinery and Miscellaneous Fixed assets depreciation has been charged on Triple Shift Basis.

(f) Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rate prevailing at the date of the transaction. Foreign Currency Assets and Liabilities are restated at the rate prevailing at the year end or at the forward rate where forward cover has been taken. In respect of transactions covered by forward exchange contracts, the difference between contract rate and the rate on the date of the transaction is recognized as income or expense in the Profit and loss account over the life of the contract.

(g) Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Raw material comprises of Yarn and packing material at cost, Wastage is valued at net realizable value. Cost of Raw material, finished goods, Spares and Consumables are determined on First in First out basis.

(h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. **Domestic Sales:** Domestic Sales are booked at net off Returns & exclude Sales Tax. **Export Sales:** Export Sales are booked at prevailing foreign exchange rates on the date of the transactions. The difference in the foreign exchange rate at the time of realization of such exports proceeds is transferred to Exchange Difference Account.

(i) Accounting of Miscellaneous Expenditure Written Off

The Share issue expenses preliminary expenses are being written off over a period of ten years from the date of commencement of commercial production.

(j) Employee Benefits

Employee benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. Provision for Gratuity benefits are worked out by management.

(k) Income Taxes

Tax expense comprises of current tax, deferred tax and fringe benefit tax. Current Income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is accounted in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India; it reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(l) Earning Per Shares

In accordance with the Accounting Standard 20 (AS 20) "the Earning Per Share" issued by the Institute of Chartered Accountants of India, basic earning per share is computed using average number of shares outstanding during the year.

(m) Contingent Liabilities

Contingent liabilities are not provided for and are disclosed by way of notes to accounts. Provision has been made for all known liabilities at the Balance Sheet date.

(n) Capital Subsidy

Subsidy given by Government is under State Government Subsidy Scheme for setting up Industrial unit in backward area. As this is only an incentive and not for acquiring any specific Capital Asset. The same is treated as Capital Reserve.

2. NOTES TO ACCOUNTS

- a) The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the proceeding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- b) **Contingent Liabilities**
In respect of guarantee provided by bank on behalf of the Company Rs. 11,34,910/- (Previous year Rs. 11,34,910/-)
Income Tax demand of Rs.662,248/- (Previous Year Rs.662,248/-) for the previous years, against which the company has filed an appeal with the Income Tax Appellate Tribunal, Mumbai. The matter is still pending with the said authority.
- c) Balance in Loans and Advances as shown in the accounts are subject to confirmation and reconciliation. However, in the opinion of the Board of Directors all loans and advances would in the ordinary course of business realize at least the value stated. During the year under review an amount of Rs.Nil (Previous Year Rs. Nil) has been written off as the same is not recoverable.
- d) Secured Loan from Financial Institution is secured by first charge on Freehold Land situated at Palghar and on the Other Fixed Assets of the company.
- e) Working Capital Loans from Dena Bank are secured by hypothecation of Inventories and Book Debts and are further secured by a second charge on the Fixed Assets of the company. The loans are also guaranteed by the Executive Directors, in their personal capacities.
- f) There are no small scale Industrial Undertakings to whom an amount of more than 1 Lac is outstanding for more than 30 days
- g) During the year company has made Investments in partnership firm (Vyas Developers Property Developers) for developing land in Palghar.

h) A fire was occurred at the Company's Godown at Aliyali - Palghar, Maharashtra on 26th August, 2008 damaging the complete Building and Stock in hand. The company had filed with the insurance company a claim of Rs. 89.35 Lacs. The claim is still pending with insurance company.

8. ADDITIONAL INFORMATION

CAPACITIES AND PRODUCTION	NUMBER OF PAIRS	
	31st March, 2009	31st March, 2008
Installed Capacity	5,850,000	5,680,000
Actual Production (including sourcing)	5,628,379	5,468,444

Installed capacity has been calculated on the basis of machines running on production of pouch Heel Socks & real Heel Socks. For the year the number of machines making such production as of 31st March, 2009 is 6 & 94 respectively (previous year as of 31st March, 2008 is 6 & 82 respectively).

DIRECTORS REMUNERATION	Amount (Rs.)	
	31st March, 2009	31st March, 2008
Salaries And Allowances		
Managing Director	900,000	900,000
Whole time Director	1,275,000	1,275,000
Total	2,175,000	2,175,000

PAYMENT TO AUDITOR	Amount (Rs.)	
	31st March, 2009	31st March, 2008
Audit Fees	124,495	84,270
Taxation Matters	41,498	28,090
Certification And Other Charges	10,487	7,098
TOTAL	176,480	119,458

C.I.F. VALUE OF IMPORTS	Amount (Rs. in Lacs)	
	31st March, 2009	31st March, 2008
Spares & Consumables	8.24	1.85
Plant & Machinery	---	33.54

FOREIGN EXCHANGE EARNING & OUTGO	Amount (Rs. in Lacs)	
	31st March, 2009	31st March, 2008
Foreign Exchange Earnings (F.O.B. Value of Exports)	-	45.78
Foreign Exchange Outgo		
- Travelling	1.37	3.91
- Advances for Machines	59.07	-
- Plant & Machinery	-	33.54
- Spares & Consumables	8.24	1.85

J) QUANTITATIVE DETAILS :

RAW MATERIAL (YARN)	As at 31st March, 2009		As at 31st March, 2008	
	Qty. (kgs.)	Amount (Rs.)	Qty. (kgs.)	Amount (Rs.)
Opening Stock	51,974.573	9,427,525	33,504.683	7,491,038
Purchased During the year	3,90,423.768	82,471,447	3,69,195.140	72,492,435
Consumption During the year	390,409.951	80,005,657	3,50,725.250	70,555,948
Closing Stock	51,988.390	11,893,315	51,974.573	9,427,525

RAW MATERIAL (PACKING MATERIAL)	Amount (Rs.)	
	31st March, 2009	31st March, 2008
Opening Stock	1,957,234	684,737
Purchased during the year	10,920,066	9,976,865
Consumption during the year	10,480,682	8,704,368
Lost in Fire	7,76,505	-
Closing Stock	1,620,113	1,957,234

3. FINISHED GOODS (SOCKS)	As at 31st March 2009		As at 31st March 2008	
	No. of Pairs	Amount (Rs.)	No. of Pairs	Amount (Rs.)
Opening Stock	955,011	13,676,392	6,62,695	8,270,160
Production	5,628,304	180,028,129	54,96,948	150,381,815
Purchased/Job Work during the Year	305,999	6,198,108	5,48,145	8,814,625
Lost in Fire	416,794	7,431,096	-	-
Sales (Net of Returns)	5,964,304	183,903,755	57,52,777	153,790,208
Closing Stock	508,291	8,567,778	9,55,011	13,676,392

k) Earnings Per Share (EPS)

Earning per share (with extraordinary items)	31/3/2009	31/3/2008
Profit after taxation as per profit and loss account (Rs. in lacs)	128.93	107.49
Weighted average number of equity share outstanding (in lacs)	31.146	31.146
Basic and diluted earnings per share in rupees (face value Rs.10 per share)	4.14	3.45
Earning per share (without extra ordinary items)	31/3/2009	31/3/2008
Profit after taxation as per profit and loss account (Rs. in lacs)	128.93	107.49
Weighted average number of equity share outstanding (in lacs)	31.146	31.146
Basic and diluted earnings per share in rupees (face value Rs.10 per share)	4.14	6.45

l) As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

Sr No.	Name of Related Party	Relationship
1	Carnival Properties Pvt Ltd	Associates
2	Juvenile Trading Pvt Ltd	
3	Orient Socknit (I) Pvt. Ltd	
4	Mr. Sanjay S Gadodia	Key Management Personnel
5	Mr. Danny F Hansotia	
6	Mr. Sandeep S Gadodia	
7	Mr. Firoz M Hansotia	Relatives of Key Management Personnel
8	Mrs. Sulochana Gadodia	

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Cur. Yr.	Prev. Yr.	Cur. Yr.	Prev. Yr.	Cur. Yr.	Prev. Yr.	Cur. Yr.	Prev. Yr.
Finance Received								
-Sanjay Gadodia			1.00	Nil			1.00	Nil
-Sulochana Gadodia					10.00	Nil	10.00	Nil
Finance Repaid								
-Sanjay Gadodia			1.00	Nil			1.00	Nil
-Sulochana Gadodia					10.00	Nil	10.00	Nil
-Sandeep Gadodia			3.50	9.00			3.50	9.00
-Danny Hansotia			Nil	10.00			Nil	10.00
-Orient Socknit (I) Pvt. Ltd.	Nil	0.50					Nil	0.50
Remuneration								
-Sanjay Gadodia			9.00	9.00			9.00	9.00
-Danny Hansotia			9.00	9.00			9.00	9.00
-Sandeep Gadodia			3.75	3.75			3.75	3.75
Interest Paid								
-Carnival Properties Pvt. Ltd.	0.70	0.70					0.70	0.70
-Juvenile Trading Pvt. Ltd.	0.35	0.35					0.35	0.35
-Danny Hansotia			1.92	2.39			1.92	2.39
-Sandeep Gadodia			0.14	0.70			0.14	0.70
-Sanjay Gadodia			0.50	0.50			0.50	0.50
-Sulochana					0.40	Nil	0.40	Nil
-Firoz Hansotia					Nil	1.80	Nil	1.80
Rent Paid								
-Danny Hansotia			4.32	4.32			4.32	4.32

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

M) Disclosure with regards to Provision as per Accounting Standard - 29 is as under :

Particulars	Amount (Rs.)
Leave Encashment :	
Opening Balance	196,836
Less : Payment during the year	183,461
Add : Provision during the year	241,560
Closing Balance	254,935

N) Segment reporting :

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' [(Accounting Standard - 17) issued by the Institute of Chartered Accounts of India] the company's primary business segment is Knitted Socks. As the Company's business activity falls within a single primary business segment the disclosure requirement of AS-17 in this regards are not applicable.

As per our report of even date
FOR A. R. PARIKH & CO.
Chartered Accountants

(Ameet R. Parikh)
Proprietor
Membership No.38188

PLACE : Mumbai.
DATE : 30th June, 2009

FOR SPENTA INTERNATIONAL LIMITED.

Sanjay Gadodia (Chairman)
Danny Hansotia (Managing Director)
Sandeep Gadodia (Wholetime Director)

PLACE : Mumbai
DATE : 30th June, 2009.

CASH FLOW STATEMENT
Cash Flow Statement for the year 2008-09

	2008-09		2007-08	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax as per Profit and Loss Account		15,611,779		16,371,620
Adjusted for :				
Depreciation	13,217,270		12,903,308	
Interest / Other Income	(846,668)		(1,009,798)	
Interest / Finance Charges	6,876,026		7,273,582	
Miscellaneous Expenditure W/Off	-	19,246,629	296,270	19,463,362
Operating Profit before Working Capital Changes		34,858,408		35,834,983
Adjusted for :				
Inventories	3,179,945		(8,740,216)	
Sundry Debtors	(7,007,803)		(1,069,529)	
Sundry Creditors	12,740,501	8,912,643	8,439,349	(1,370,396)
Cash Generated from Operations		43,771,050		34,464,586
Taxes Provision		(6,610,000)		(5,886,900)
Net Cash from Operating Activities		37,161,050		28,577,686
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(1,196,121)		(6,518,410)
Sale of Fixed Assets		-		-
Movement in Loans & Advances		(13,118,513)		(4,437,703)
Investment in Partnership - Vyas Developers		(10,000,000)		-
Interest / Other Income		846,668		1,009,798
Net Cash used in Investing Activities		(23,467,967)		(9,946,315)
C CASH FLOW FROM FINANCIAL ACTIVITIES :				
Secured Loan		(1,481,854)		(9,977,879)
Unsecured Loan		(2,996,678)		(415,692)
Interest / Finance Charges		(6,876,026)		(7,273,582)
Net Cash from Financial Activities		(11,354,558)		(17,667,153)
Net Increase / (Decrease) in Cash and Cash Equivalents		2,338,525		964,218
Opening Balance of Cash and Cash Equivalents		17,546,434		16,582,216
Closing Balance of Cash and Cash Equivalents		19,884,959		17,546,434

As per our report of even date
For A. R. Parikh & Co.
Chartered Accountants

Ameet R. Parikh
(Proprietor)
Membership No : 38188

Place : Mumbai
Date : 30th June, 2009

For and behalf of the Board
Sd/-
Sanjay S Gadodia (Chairman)
Danny F Hansotia (Managing Director)
Sandeep S Gadodia (Whole Time Director)

Place : Mumbai
Date : 30th June, 2009

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE
SPENTA INTERNATIONAL LIMITED
The Companies Act (1 to 1956) Schedule VI - Part iv

I Registration Details

Registration No.

State Code (Refer Code List)

Balance Sheet

31	03	2009
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Date

Date Month Year

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

Others

III Position of Mobilisation and deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liabilities

Current Liabilities

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV Performance of Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

Profit/Loss Before Tax

Profit/Loss after Tax

Earning per share in Rs.

Dividend @%

V Generic Names of Three Principal Products / Services (as per monetary items)

Item Code No.

Product Description

SPENTA INTERNATIONAL LIMITED

REGD. OFFICE: PLOT NOS. 13, 14, 15, 16 & 40 (PART) & 40/2, DEWAN INDUSTRIAL ESTATE,
VILLAGE NAVALI, PALGHAR.

PROXY FORM

I/We.....of.....
.....in the district
ofbeing a member/members of the above named Company
hereby appoint of
in the district of.....or failing him
.....ofIn
the district of as my / our proxy to attend and
vote for me/us on my /our behalf at the **22nd ANNUAL GENERAL MEETING** of the Company to be held
at the **Regd. Office** of the company, on **Wednesday the 30th September, 2009 at 10.30 a.m.**
and at any adjournment thereof.

Signed this..... day of, 2009

Reg. Folio No.....

No. of Shares

Signature



Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

SPENTA INTERNATIONAL LIMITED

REGD. OFFICE: PLOT NOS. 13, 14, 15, 16 & 40 (PART) & 40/2, DEWAN INDUSTRIAL ESTATE,
VILLAGE NAVALI, PALGHAR.

ATTENDANCE SLIP

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the **22nd Annual General Meeting** of the Company at **Regd. Office** of the company on **Wednesday 30th September, 2009 at 10.30 a.m.**

Name of the Shareholder

Signature

Folio No. _____

(Full name of Proxy)

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

BOOK - POST

If undelivered please return to :

LINK INTIME INDIA PVT. LTD.

UNIT: SPENTA INTERNATIONAL LIMITED

C-13 Pannalal Silk Mills Compound,

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

Mumbai- 400 078