



23rd

**ANNUAL
REPORT
2009 - 2010**

SPENTA INTERNATIONAL LIMITED

BOARD OF DIRECTORS
MR. SANJAY S. GADODIA
(Chairman and whole time Director)
MR. DANNY F. HANSOTIA
(Managing Director)
MR. SANDEEP S. GADODIA
(Whole Time Director)
MRS. MEENA SEHRA
(Independent Non Ex. Director)
MR. CHETAN RATHOD
(Independent Non-Ex. Director)
MR. JAYANT FARSWANI
(Independent Non-Ex. Director) (w.e.f. 15th March, 2010)
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 No.13, 14, 15, & 16, & 40 (PART) & 40/2
Dewan Industrial Estate,
Village Navali, District Thane,
Palghar (West) - 401 404.
CORPORATE OFFICE:
86 & 87, Empire Building,
2nd floor, 134/135, D. N. Road,
Fort, Mumbai - 400 001.
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LISTING OF EQUITY SHARES:
THE BOMBAY STOCK EXCHANGE, MUMBAI
PHIROZE JEEJEEBHOY TOWERS, DALAL STREET,
MUMBAI - 400 001.
THE AHMEDABAD STOCK EXCHANGE,
KAMDHENU COMPLEX, PANGARPOLE,
AHMEDABAD - 380 015.

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SPENTA INTERNATIONAL LIMITED

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Spenta International Limited will be held on Thursday, the 23rd day of September, 2010 at 10.30 a.m. at the registered office of the Company situated at Plot No. 13, 14, 15, & 16, & 40 (PART) & 40/2, Dewan Industrial Estate, Village Navali, Dist. Thane, Palghar (W) - 401 404, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2010 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 Mr. Chetan Rathod, who retires by rotation & being eligible offers himself 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 next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Jayant Farswani who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 during the year, w.e.f from 15th March, 2010 to hold the office upto the date of this Annual General Meeting and in respect of whom formalities under Section 257 of the Companies Act 1956 has been complied with proposing his candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special 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 re-appointment of Mr. Danny Hansotia as a Managing Director of the Company for a period of 5 (Five) years on the terms and conditions including remuneration, 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 Managing Director within the limits as specified in Schedule XIII during the tenure of his appointment from time to time.

RESOLVED FURTHER THAT, in the absence or inadequacy of profits in any financial year, (a) Subject to the approval of the central Govt, the remuneration Payable to Mr. Danny Hansotia, 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, the remuneration 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

Sd/-

SANJAY GADODIA
(CHAIRMAN & WHOLE TIME DIRECTOR)

DATE: 29th May, 2010
PLACE: Mumbai



NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective must be deposited with the registered office company, not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Register shall remain closed from Thursday, the 16th September, 2010 to Thursday, the 23rd September, 2010 (both days inclusive).
4. 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 copies to the meeting.
5. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
6. Any members requiring further information on accounts at the meeting are requested to send their queries in writing to the Managing Director of the Company on or before 10th September, 2010.
7. The explanatory statements, in respect of Item No. 4 & 5 of the notice, pursuant to section 173(2) of the Act are annexed hereto.



EXPLANATORY STATEMENT

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

ITEM NO. 4:

Mr. Jayant Farswani was appointed as an Additional Director w.e.f 15th March 2010 by the Board of Directors of the Company in terms of Section 260 of the Companies Act 1956 and in pursuance of provision of Articles of Association of the Company. Mr. Jayant Farswani holds office as a Director upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

The Information about Mr. Jayant Farswani is as follows:-

Name of the Director	Mr. Jayant Farswani
Age	48
Qualification	B. Com
Expertise in specific functional areas	Textile Industry
Directorship in other Indian Public Limited Company & other firms as on 31.03.2010	NIL
Shareholding	NIL

The Company has received a notice, under Section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/-, from a member proposing his candidature as Director of the Company.

The Board considers that his association as Director will be beneficial and in the interest of the Company. Further, brief details regarding the Directors getting appointed / re-appointed, their expertise in specific functional areas and the names of the Companies in which they hold Directorship / Committee membership are furnished in the 'Report on Corporate Governance' forming part of the Annual Report for the year ended 31st March, 2010.

The Board recommends the said resolution for approval of members.

Except Mr. Jayant Farswani, none of the Directors of the Company are concerned or interested in the said resolution.

Item No.: 5

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, in its meeting held on 29th May, 2010, Mr. Danny Hansotia was re-appointed as a Managing Director of the Company for a period of 5 (Five) years with effect from 1st October, 2010, subject to the approval of members in the Annual General Meeting. The remuneration to Mr. Danny Hansotia inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.



Mr. Danny Hansotia has been associated with the Company since 10th April, 1992 and he is a Promoter Director of the Company. He was appointed as a Managing Director of the Company with effect from 1st July, 2003. Mr. Hansotia is a qualified Chartered Accountant and has a rich experience of more than 20 Years in textile industry. Due to his Managerial decisions and sustained efforts, the Company has recorded growth over the past few years.

The terms & Conditions proposed to be entered into by the Company with Mr. Danny Hansotia in respect of his re-appointment, inter alia, contains the following terms and conditions:

MAJOR TERMS OF REMUNERATION OF MR. DANNY HANSOTIA, MANAGING DIRECTOR:

TERMS & CONDITIONS:

1. Name & Designation of Director : Mr. Danny Hansotia, Managing Director
2. Date of Appointment / Re-appointment : 1st October, 2010
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. including rent 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. Danny Hansotia by way of salary and perquisites including rent 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. Danny Hansotia shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

II) PERQUISITES:

Mr. Danny Hansotia, as a Managing 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 funds 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 including rent specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

IV). The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.

V). The Managing 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 the Companies Act, 1956, or any amendment hereafter in that regard.

The Board recommends the said resolution for approval of members.

Except Mr. Danny Hansofia, none of the Directors of the Company are concerned or interested in the said resolution.

These terms & conditions of appointment may be treated as abstracts pursuant to section 302 of the Companies Act, 1956.



8. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- 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 Profit 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:

A separate report on Corporate Governance is enclosed as a part of this Annual Report. Certificate of M/s. HS Associates, Company Secretaries, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with stock exchange is enclosed herewith.

10. COMPLIANCE CERTIFICATE:

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

11. STOCK EXCHANGE REQUIREMENTS:

Being listed at The Bombay Stock Exchange Limited, Mumbai & Ahmedabad Stock Exchange, your company has paid listing fees till March, 2011.

12. AUDITORS:

M/s. A. R. Parikh & Co., Chartered Accountants, Mumbai, Statutory Auditors of your company hold office until the conclusion of the forthcoming Annual General Meeting and have signified their willingness to be re-appointed and have further confirmed that their appointment if made shall be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

13. AUDITORS' REPORT:

The notes to Auditors Reports are self explanatory and hence no explanation is required from the Board as such.

14. MANAGEMENT DISCUSSION AND ANALYSIS:

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

15. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION & 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 attached as Annexure I.

16. 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 said section and hence no details are given as such.

17. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record, gratitude for corporation and support received from their Banker, various departments and agencies of Central and State Government and dedication and commitment of the staff at all levels, without which the all-round growth and prosperity of the Company would not have been possible. Your Directors also appreciate the support provided by the several overseas 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

DATE: 29th May, 2010

PLACE: Mumbai

SANJAY GADODIA
(CHAIRMAN AND WHOLE TIME DIRECTOR)

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

		3/31/2010	3/31/2009
A	POWER & FUEL CONSUMPTION		
1	Electricity	—	—
a)	Purchased	—	—
	Units (in lakhs) (in kwh)	17.92	15.16
	Amount in Rupees (in lakhs)	103.89	71.27
	Rate per Unit (in Rupees)	5.79	4.70
b)	Own Generation	—	—
i	Through diesel generator	—	—
	Units	27139	31202
	units per ltr. Of diesel oil	2.1	2.41
	Cost / unit	18.03	20.32
ii	Through steam turbine generator	—	—
B	CONSUMPTION PER UNIT OF PRODUCTION	—	—
	Knitted Cotton Socks	1.54	1.27

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

I. Research and Development (R & D) Nil
 - Expenditure on R & D Nil

II. A. TECHNOLOGY ABSORPTION & ADOPTION

Our manufacturing is based on know-how 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)

	31/03/2010	31/03/2009
Foreign Exchange Earnings:		
(FOB vale of Exports)	—	—
Foreign Exchange outgo:		
Advances for Machines	—	59.07
C. I. F. Value of Spares & consumables	6.51	8.24
Traveling Expenses	1.56	1.37
Plant and Machinery	—	—

Annexure 2

COMPLIANCE CERTIFICATE

Regn. No. of the Company: L28129MH1988PLC040482.
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,
District Thane, 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, 2010** ("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 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 (6) Six times on 30/04/2009, 30/06/2009, 31/07/2009, 31/10/2009, 30/01/2010 and 15/03/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed during the year.
5. The Company closed its Register of Members from Wednesday the 23rd September, 2009 to Wednesday, 30th September, 2009 (both days inclusive) and complied with the provisions of Section 154 of the Act.
6. The annual general meeting for the financial year ended on 31st March, 2009 was held on 30th September, 2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.



8. 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.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company was not required to obtain an approval from the Board of Directors, members pursuant to section 314 of the Act.
12. The Company has not issued any duplicate certificates during the Financial Year.
13. The Company has:
 - (i) Approved transfer of 31,300 Equity shares of Rs. 10/- each on 31st March, 2010. 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 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. Jayant Farswani was appointed as an Additional Director w.e.f. 15th March, 2010. There was no Appointment of Alternate Directors or Directors to fill casual vacancy during the financial year.
15. Mr. Sanjay Gadodia was re-appointed as a Whole Time Director of the Company for a period of 5 years, 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. The company filed the copy of Statement in lieu of Advertisement as required with the Registrar of Companies. The Company has also filed Return of Deposit with the Registrar of companies.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2010 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 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 provisions of Section 418 of the Act are not applicable to the Company during the financial year.

PLACE: Mumbai
DATE: 29th May, 2010

SIGNATURE:

Sd/-
NAME OF COMPANY SECRETARY
HEMANT SHETYE
PARTNER
HS ASSOCIATES
C.P. No.: 1483.
FCS . No. 2827.



ANNEXURE "A"

REGISTERS AND RECORDS MAINTAINED BY THE COMPANY

- a) Register of Transfers.
- b) Register of Share application and allotment.
- c) Registers of Deposits under Deposits Rules, 1975 under Section 58A.
- d) Register of Charges under Section 143.
- e) Register of members under Section 150.
- f) Index of Member under Section 151.
- g) Minutes Book under Section 193.
- h) Books of Account under Section 209.
- i) Register of Contracts under Section 301.
- j) Register of Directors; Managing Director, manager and secretary under Section 303.
- k) Register of Director's shareholdings under Section 307.
- l) Register of Inter Company Investments under Section 372A.

ANNEXURE "B"

FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2010.

SR.No	Forms	Sections	Date of filing	Particulars
1	Form 62	Sec 44, 60, 77A, 488, 497, 509, 516, 551 and 555	20/06/2009	Filing of return of deposit
2	Form 25C	Sec 269(2)	17/08/2009	Appointment of Whole -Time Director
3	Form 62	Sec 44, 60, 77A, 488, 497, 509, 516, 551 and 555	17/08/2009	Filing of Statement in Lieu of Advertisement.
4	Form 23AC & ACA	Sec. 220	28/11/2009	Filing of Balance sheet and Profit and loss Account for financial year ended 31 st March, 2009
5	Form 66	Sec. 383A	28/11/2009	Filing of Compliance Certificate
6	Form 20B	Sec. 159	30/11/2009	Filing of Annual return for the year 2009
7	Form 8	Sec 125, 127, 130, 132, 135 and sec. 600	18/12/2009	Filing of creation / Modification of Charges

PLACE: MUMBAI.
DATE: 29th May, 2010

SIGNATURE:

Sd/-

NAME OF COMPANY SECRETARY
HEMANT SHETYE
PARTNER
HS ASSOCIATES
C.P. No.: 1483.
FCS. No. 2827



Annexure 3

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

India plays an integral role in the global apparels market due to availability of abundant man power, raw material, and infrastructural developments. The Indian textiles and apparels sector is a major contributor to the Indian economy in terms of Gross Domestic Product (GDP), industrial production and the country's total export earnings.

The market for the textile industry is growing and in the upcoming years will see phenomenal growth and creation of the capacities. Further the consumption of garments, which has in between slump down, now started gearing up and accordingly demanded for the fabrics requirements has also started rising. Your company is manufacturing some of the best brands of National & International repute.

Your management is taking all initiative for the substantial growth and development of the Company.

B) OPPORTUNITIES AND THREATS:

China the production house of the world is 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. India being the oldest and largest grower and manufacturer of the natural fiber would enjoy the advantage. Continuous increase in interest rates by banks and institutions will result in decrease in profits.

The main reason for the escalating prices is the massive rise in exports of the yarn, produced mainly in South India. "Seventeen percent of the total yarn production in the country is exported now. The government should take immediate steps to reduce the exports."

Your company through efficient production management system, automation and modernization and better product mix 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 hosiery industry has urged the government to take steps to reduce the prices of cotton yarn and ensure domestic availability of the raw material by cutting down exports. This industry is expected to grow dramatically in the coming years, the reason being the increase in the number of people using the same. 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 increase in cost of production and constrained margin are the major area of concern. Your company is taking all effective steps to see that cost of production brought to minimum. The competition from across the border especially south east Asian countries is special concern to the textile and yarn market. 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.

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. Depressed demand conditions in the end user industries results in increased credit periods to customers, resulting in blockage of working capital.

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 into 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 centers. All policies and procedures and guidelines have been documented. Your company is using advanced customized software system, which is upgraded from time to time to suit the system needs of the Company.

G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

During the year under review the total production of socks was satisfactory. The Profit before tax recorded during the year was Rs. 282.76 Lacs as against Rs. 156.12 Lacs in the previous financial year.

H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

Human resource development is prime important to every organization. The company pays require attention on the development of workers and staff. Maintaining cordial relation and friendly relation and solving workers problems through negotiation amicably is in the interest of the company. Your company is envisaging plans to improve productivity of the workers and staff. Some of the measures being taken are to make the work more interesting, training, job rotation and job satisfaction. The company gives incentives for better performance and recognizes individual achievement of the workers and staff. The industrial relation climate in your company was harmonious and constructive.

I) 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.

BY ORDER OF THE BOARD

DATE : 29th May, 2010.

Sd/-

PLACE : Mumbai

**SANJAY GADODIA
(CHAIRMAN AND WHOLE TIME DIRECTOR)**

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 one is Chairman cum Whole Time Director, one a Managing Director and one a Whole Time Director and the remaining Three Directors are Non-Executive Independent Directors. There is no Nominee or Institutional Directors in the Company.

The vacancy of the Independent Non-Executive Director was filled by the company beyond the period of 180 days as prescribed in clause 49(c) (iv) of the Listing Agreement.

None of 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 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. The composition of the Board is in compliance with clause 49 of the listing agreement

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	6	YES	1	NIL
2.	Mr. Danny Hansotia	Managing Director	6	YES	1	1
3.	Mr. Sandeep Gadodia	Whole Time Director	6	YES	NIL	1
4.	**Mr. Jayant Farswani	Independent Non – Ex-Director	1	NO	NIL	1
5.	Mrs. Meena Sehra	Independent Non – Ex-Director	4	YES	NIL	3
6.	Mr. Chetan Rathod	Independent Non-Ex-Director	4	YES	NIL	3

*Directorship in Companies registered under the Companies Act, 1956, excluding Directorship in Private Companies & Alternate Directorship.

** Appointed w.e.f. 15/03/2010.

During the year 6 Board Meetings were held i.e. on 30/04/2009, 30/06/2009, 31/07/2009, 31/10/2009, 30/01/2010 and 15/03/2010. The time gap between any two consecutive 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	Mr. Jayant Farswani	Mr. Chetan Rathod	Mr. Danny Hansotia
Age	48	40	45
Qualification	B. Com	M Sc	Chartered Accountant
Expertise in specific functional areas	Textile Industry	Computers	Textile Industry
Directorship in other Indian Public Limited Company & other firms as on 31.03.2010	NIL	NIL	NIL
Shareholding	NIL	NIL	7,17,364

Code of conduct for Directors and Senior Management:

Code of conduct as applicable to the Directors and the members of the senior management had been approved by the Board and it is being duly abided by all of them. The Annual Report of the Company contains declaration to this effect from the Chairman and CEO.

3. Audit Committee:

Pursuant to the provisions of 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 committee met 4 times during the year under review on 30/04/2009, 30/06/2009, 31/10/2009 and 30/01/2010.

The Attendance at the Audit Committee Meeting was as under:

Director	No. of Committee meetings held	No. of Committee meetings attend
Mr. Chetan Rathod – Chairman and Independent Non Ex. Director.	4	4
Mrs. Meena Sehra – Member and Independent Non Ex. Director.	4	4
Mr. Danny Hansotia – Member, CFO and Managing Director.	4	4

Brief terms of reference of the Audit Committee are as follows:

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and fixation of audit fees.
- Appointment of statutory auditor and fixing their remuneration
- 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.
- Disclosure of Related Party transactions.
- Reviewing accounting treatment and confirmation of the fact that financial statement are giving true and fair view.

4. Remuneration Committee

As on date of report the Remuneration Committee comprises of 3 Independent Non Executive Directors. Spenta International Limited remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

The Company's Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole-Time Directors and to deal with all the elements of remuneration package of all such Directors.

The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments, rents), perquisites and allowances, performance linked remuneration, if any, commission to be paid to the company's Executive/Whole time Director (ED/WTD) and to finalise the perquisites and allowances package within the overall ceiling fixed by the Board.

The Remuneration committee met once during the year on 2010.
 The Attendance at the Committee Meeting was as under:

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Chetan Rathod – Chairman and Independent Non Ex. Director.	1	1
Mrs. Meena Sehra - Member and Independent Non Ex. Director.	1	1
Mr. Sandeep Gadodia – Member and Whole Time Director. (Up to 15 th March, 2010)	1	1
Mr. Jayant Ferswani – Member and Independent Non Ex. Director (w.e.f. 15 th March, 2010)	1	NIL

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, 2010.

Executive Directors

(Amt. In Rupees)

Name	Remuneration (p.a.)
Mr. Danny Hansotia (Managing Director)	1,216,800
Mr. Sanjay Gadodia (Whole Time Director)	1,216,800
Mr. Sandeep Gadodia (Whole Time Director)	4,91,400

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
3.	Mr. Jayant Farswani - Independent Non Ex. Director.	Nil	Nil	Nil

5. Shareholders/Investors Grievance Committee

The Shareholder/Investors Grievance Committee has been constituted. The committee consists of three Non Ex. & Independent Directors. The Committee was chaired by Mr. Chetan Rathod. 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.

Following are the members of the Committee.

1. Mr. Chetan Rathod - Chairman and Independent Non Ex. Director.
2. Mrs. Meena Sehra - Member and Independent Non Ex. Director.
3. Mr. Sandeep Gadodia - Member and Compliance Officer.

The committee met 4 times during the year under review on 30/04/2009, 31/07/2009, 31/10/2009 and 30/01/2010.

The Attendance at the Shareholders/Investors Grievance Committee meeting was as under:

Director	No. of Committee meetings held	No. of Committee meetings attend
Mr. Chetan Rathod - Member and Independent Non Ex. Director	4	4
Mrs. Meena Sehra - Member and Independent Non Ex. Director	4	4
Mr. Sandeep Gadodia - Member Compliance Officer.	4	4

There were no complaints pending at the end of the year. Further, during the year, requests for transfer of 31,300 Equity Shares of Rs. 10/- each 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.
 sandeep.gadodia@spentasocks.com
 Tel No.: 22076398
 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)
2006-07	30 th August, 2007	10.30 A.M.	Regd. Office	N.A.
2007-08	18 th September, 2008	10.30 A.M.	Regd. Office	N.A.
2008-09	30 th September, 2009	10.30 A.M.	Regd. Office	N.A.

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

7. Disclosures:

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the Promoters, Directors, the management or their subsidiaries or relatives 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 no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

The Company has complied with all the mandatory provisions of corporate governance from non – mandatory item the Company has not adopted the Whistle Blower Policy but is in the process of adopting 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; however there was no presentation made during the year either to Institutional Investors or to the analysts.

9. General Shareholders Information:

- i. The 23rd Annual General Meeting is scheduled to be held on Thursday, 23rd September, 2010 at 10.30 A.M. at Regd. Office of the Company.
- ii. The Financial year of the company is from April to March.

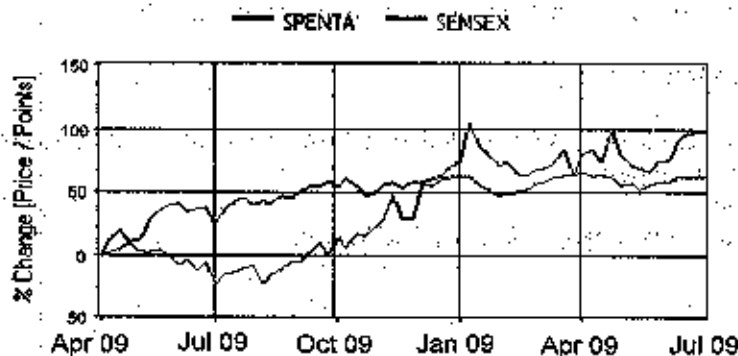
The financial calendar is as per following.

First quarter results (30 th June)	Mid of August
Mailing of Annual Reports	First week of August
Annual General Meeting	September
Payment of Dividend	N.A.
Second quarter results (30 th September)	Mid of November
Third quarter results (31 st December)	Mid of February
Fourth quarter / Annual Results	Mid of May

- iii. Book Closure dates are from Thursday the 16th September, 2010 to Thursday 23rd September, 2010 (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 2010-11 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 (Bombay Stock Exchange).**

Months	High (Rs.)	Low (Rs.)	Volume
April-09	12.06	8.34	29
May-09	11.46	9.49	20844
June-09	11	8.75	12013
July-09	9.8	7.37	15829
August-09	9.9	7.35	14575
September-09	11	8.95	18214
October-09	13.44	10.08	9032
November-09	14.96	11.35	26466
December-09	17.83	13	17098
January-10	21.4	16	38701
February-10	19	15.9	9834
March-10	20.4	15.35	19698

Index Comparison



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, Pannaial Silk Mills Compound,
 L. B. S. Marg, Bhandup Mumbai – 400 078
 Tel- 25963838
 Fax- 25962891
 Email- helpline@intimespectrum.com
 Website- www.linkintime.co.in

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. x. Distribution of Shareholding as on 31st March, 2010.

Share holding of	Nominal Value of	Shareholders No.	% of Total	Share Amt.	% of Total
Rs.	Rs.			Rs.	
1	5000	1714	82.32	3141290	10.46
5001	10000	143	6.87	1164830	3.88
10001	20000	82	3.94	1256390	4.18
20001	30000	32	1.54	789860	2.63
30001	40000	23	1.10	783390	2.61
40001	50000	19	0.91	866980	2.89
50001	100000	27	1.30	1875130	6.25
100001	200000	42	2.02	20153130	67.11
TOTAL		2082	100.00	30032000	100

xi. Dematerialization of shareholding: 39.70% 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 Plants are located at the following address:

Plot 13,14,15 & 16 Dewan Industrial Estate,
 Village Navali, District Thane, Palghar(W) - 400 001.

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 the following address:

86 & 87, Mahendra Chambers,
 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 No. 14, 15 & 16,
Dewan Industrial Estate,
Village Navali, Paighar.

We have reviewed the implementation of Corporate Governance produced by the company during the year ended **31st March, 2010**, 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 clause 49(c) (iv) of the Listing Agreement, however the said default was made good during the year.

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
Hemant S. Shetye

(Partner)
FCS-2827
COP - 1483
29th May, 2010
Mumbai



CEO/CFO CERTIFICATION

To,
The Board of Directors,
Spenta International Limited,
Plot No. 14, 15 & 16,
Dewan Industrial Estate,
Village Navali, Paighar.

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:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii. 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:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year;
 - c. There have been no instances of significant fraud of which we are become 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 LTD

Sd/-
SANJAY GADODIA
(CEO)

Date: 29th May, 2010
Place: Mumbai

FOR SPENTA INTERNATIONAL LTD

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: 29th May, 2010
Place: Mumbai

AUDITORS' REPORT

**To the members of
Spenta International Limited**

1. We have audited the attached Balance Sheet of **Spenta International Limited** as at 31st March, 2010, the Profit and Loss account and also the Cash flow Statement 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a 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 the 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 sub-section (4A) of Section 227 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 hereto 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 explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement read with Significant Accounting policies and Note to accounts, 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 written representations received from the directors as on 31st March, 2010, we report that none of the directors are disqualified as on 31st March, 2010 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 said accounts, read together with Significant Accounting policies and Note to accounts thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the generally accepted accounting principles in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010,
 - (ii) in the case of the Profit and Loss Account, of the profit of 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: 29th May, 2010

For A. R. Parikh & Co.
Chartered Accountants
(Registration No. 107532W)
Ameet R. Parikh
(Proprietor)
Membership No. 38188

Annexure to Auditors' Report

Referred to in Paragraph 3 of our report of even date

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) The fixed assets have been physically verified by the management during the year.
 - c) In our opinion, the Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.

- ii. In respect of its inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) 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 are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.

- iii. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956.
 - a) The company not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
Consequently, the requirements of Clauses (iii) (b), (c) and (d) of paragraph 4 of the Order are not applicable.
 - b) The company taken unsecured loans, from companies, firms or other parties covered in the register maintained under section 301 of the Act. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 1,00,88,092/- and the year-end balance is Rs.95,67,450/-.
 - c) In our opinion the rate of interest and other terms and conditions on which unsecured loan has been taken from companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
 - d) The principal and interest amounts are repayable on demand and there is no repayment schedule.

- iv. In our opinion and to the best of our information and according to explanations given to us, there is an adequate internal control system 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.

v. 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.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000/- in respect of each party during the year, 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.

vi. 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.

vii. In our opinion, the Company has no internal audit system commensurate with the size and nature of the business of the Company.

viii. 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.

ix. In respect of the Statutory dues :

a) According to the records of the company, undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid due were outstanding as at 31st March, 2010, for a period of more than six months from the date they became payable.

b) The disputed statutory aggregates to Rs. 6,62,248/-, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sr. No.	Name of the Statute	Nature of Dues	Amount in (Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	The Income tax Act, 1961.	Income tax Demand	2,76,287/-	F. Y. 2002-03	Income Tax Appellate Tribunal, Mumbai.
2.	The Income tax Act, 1961.	Income tax Demand	3,85,961/-	F.Y.2001-02	Income Tax Appellate Tribunal, Mumbai.
	Total		6,62,248/-		



- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayments of dues to financial institutions, banks or debenture holders.
- xii. 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.
- xiii. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Besides this, during the year the company has made investments in equity shares of worth Rs.35,08,605/- in its own name. Company has maintained proper records the transactions and contracts and timely entries have been made therein;
- xv. The Company has given guarantees for loans taken by other from banks and financial institutions. According to information & explanations given to us, we are of the opinion that the terms and conditions of the guarantees given, are not prima facie prejudicial to the interest of the Company.
- xvi. 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.
- xvii. 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.
- xviii. 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.
- xix. The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
- xx. The Company has not raised any monies by way of public issue during the year.
- xxi. 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.

For A. R. Parikh & Co.
Chartered Accountants

Ameet R. Parikh
(Proprietor)
Membership No. 38188

Place: Mumbai
Date: 29th May, 2010



Spenta International Limited
Balance Sheet as at 31st March, 2010

(Amount in Rs.)

	Sch.	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholder Funds			
Share Capital	A	31,154,000	31,154,000
Reserves & Surplus	B	96,380,808	77,595,102
Loan Funds			
Secured Loans	C	38,622,747	46,271,808
Unsecured Loans	D	9,567,450	7,944,114
Deferred Tax Liability	E	2,727,240	4,236,980
TOTAL		178,452,245	167,202,003
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	F	163,899,206	151,020,588
Less : Depreciation		67,106,951	53,135,337
Net Block		96,792,255	97,885,249
Capital Work-in-Progress			
Investments	G	13,508,605	10,000,000
Current Assets, Loans & Advances			
Current Assets			
Inventories	H	20,940,101	22,281,206
Sundry Debtors		31,234,721	32,644,389
Cash & Bank Balance		49,929,776	19,884,959
Other Current Assets			
		102,104,598	74,810,555
Loans & Advances	I	37,167,620	33,345,833
		139,272,218	108,156,388
Less : Current Liabilities & Provisions			
Current Liabilities	J	34,518,304	23,631,105
Provisions	K	36,602,530	25,208,530
		71,120,834	48,839,635
Net Current Assets		68,151,384	59,316,753
Miscellaneous Expenditure (To the extent not written off or adjusted)			
TOTAL		178,452,245	167,202,003

Significant Accounting Policies

Notes on 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 : 29th May, 2010

R For and behalf of the Board

S Sd/-

Sanjay S Gadodia (Chairman & Whole Time Director)

Danny F Hansotia (Managing Director)

Sandeep S Gadodia (Whole Time Director)

Place : Mumbai

Date : 29th May 2010



Profit and Loss Account for the year ended 31st March, 2010

	Sch.	2009-10	(Amount in Rs.) 2008-09
INCOME			
Sales	L	214,334,599	183,903,755
Other Income		2,937,111	846,668
Variation in Stocks	M	(1,817,809)	(5,308,614)
		215,453,901	179,441,808
EXPENDITURE			
Consumption of Raw Material	N	111,505,043	97,460,953
Manufacturing expenses	O	38,564,849	29,942,314
Administrative and Other expenses	P	15,367,504	16,333,466
Interest & Finance Charges	Q	7,623,574	6,876,026
Depreciation	F	14,116,967	13,217,270
		187,177,938	163,830,029
Profit before Tax		28,275,965	15,611,779
Provision for Taxation			
- Current Tax		11,000,000	6,500,000
- Deferred Tax (Net)		(1,509,740)	(3,890,925)
- Fringe Benefit Tax		-	110,000
Profit after Tax		18,785,705	12,892,704
Add : Balance b/fd from previous year		75,595,103	62,702,400
Profit available for appropriation		94,380,808	75,595,103
Appropriation			
Transfer to General Reserve			
Surplus / (Deficit) carried to Balance sheet		94,380,808	75,595,103
Basic & Diluted Earning Per Share of Face Value of Rs.10/- (P.Y : Rs.10/-) including Exceptional Items		6.03	4.14
Basic & Diluted Earning Per Share of Face Value of Rs.10/- (P.Y : Rs.10/-) excluding Exceptional Items		6.03	4.14
[Refer Note k, Schedule S]			

Significant Accounting Policies
Notes on 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 : 29th May, 2010

R

S

For and behalf of the Board

Sd/-

Sanjay S Gadodia (Chairman & Whole Time Director)

Danny F Hansotia (Managing Director)

Sandeep S Gadodia (Whole Time Director)

Place : Mumbai

Date : 29th May 2010

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

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
Authorised Share Capital: 35,00,000 Equity Shares of Rs.10/- each (March 31, 2010: 3,500,000 Equity Shares of Rs.10/- each)	35,000,000	35,000,000
	35,000,000	35,000,000
Issued Share Capital 31,20,000 Equity Shares of Rs.10/- each (March 31, 2010: 3,120,000 Equity Shares of Rs.10/- each)	31,200,000	31,200,000
	31,200,000	31,200,000
Subscribed and Paid up Share Capital 31,11,900 Equity Shares of Rs.10/- each (March 31, 2010: 3,111,900 Equity Shares of Rs.10/- each) Less : Allotment Money due	31,159,500	31,159,500
	5,500	5,500
TOTAL	31,154,000	31,154,000

SCHEDULE "B" : RESERVES & SURPLUS

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
A. CAPITAL RESERVE	2,000,000	2,000,000
	2,000,000	2,000,000
(b) Balance in Profit & Loss Account		
Opening Balance	75,595,103	62,702,398
Add : Current Year's Profit	18,785,705	12,892,704
	94,380,808	75,595,102
TOTAL	96,380,808	77,595,102

SCHEDULE "C" : SECURED LOANS

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
(a) Loans & advances from Banks		
- Working Capital Loans	18,663,681	26,371,808
- Loan from Bank against Fixed Deposit	5,433,110	-
- Car Loan	2,147,704	-
(b) Loans & advances from Subsidiaries		
(c) Others Loans & advances		
- Term Loans From Financial Institution	11,700,000	19,900,000
- Car Loan From Financial Institution	678,252	-
TOTAL	38,622,747	46,271,808

**spenta®****SPENTA INTERNATIONAL LIMITED****SCHEDULE "D" : UNSECURED LOANS**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31 ST March, 2010	As at 31 ST March, 2009
(a) Fixed Deposits	1,500,000	2,200,000
(b) Loans & advances from Subsidiaries	-	-
(c) Short Terms Loans & Advances		
From Others		
- Directors	4,883,450	2,630,925
- Corporates	1,085,000	1,056,947
- Others	2,299,000	2,156,242
TOTAL	9,567,450	7,944,114

SCHEDULE "E" : DEFERRED TAX LIABILITY

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31 ST March, 2010	As at 31 ST March, 2009
Opening Balance	4,236,980	8,127,905
Add : For the year	(1,509,740)	(3,890,925)
TOTAL	2,727,240	4,236,980

SCHEDULE "G" : INVESTMENTS

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31 ST March, 2010	As at 31 ST March, 2009
Long Term Investments		
Quoted - in Equity Shares		
1000 - ACC LTD	879,835	-
1000 - DLF	312,509	-
500 - JINDAL VIJAYANAGAR	505,507	-
2500 - NTPC LTD	521,072	-
1000 - TELCO	730,226	-
1000 - TISCO LTD	559,456	-
	3,508,605	-
Investments In Capital of Partnership Firm		
- Vyas Developers	10,000,000	10,000,000
	10,000,000	10,000,000
TOTAL	13,508,605	10,000,000
- Aggregate book value of quoted investments	35,08,605	-
- Aggregate market value of quoted investments	37,83,150	-

Schedule forming part of Balance Sheet
SCHEDULE " F " : FIXED ASSETS.

(Amount in Rs.)

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Opening 01-04-09	Additions	Deductions	Closing 31-03-10	Opening 31-03-10	For the Year 2009-10	Written Back	Closing 31-03-2010	Opening 31-03-2010	Closing 01-04-09
1	Free Hold Land	6,236,894	-	-	6,236,894	-	-	-	6,236,894	6,236,894	6,236,894
2	Building & Civic Works Old Factory Shed New Factory Shed	21,163,240 603,272	934,792	-	21,163,240 603,272 934,792	3,925,682 56,804	706,852 15,181 7,699	-	4,632,534 71,985 7,699	16,530,706 531,287 927,093	17,237,558 546,468
3	Plant & Machinery	102,742,543	7,110,023	-	109,852,566	40,351,644	11,227,834	-	51,579,478	58,273,088	62,390,899
4	Office Equipments	409,747	89,900	-	499,647	257,900	67,883	-	325,783	173,864	151,847
5	Computers	1,044,255	209,764	-	1,254,020	597,739	183,222	-	780,961	473,059	446,316
6	Furniture & Fixtures	2,152,027	301,576	-	2,453,603	750,832	145,143	-	895,935	1,557,628	1,401,195
7	Misc. Fixed Assets	13,185,373	447,148	-	13,632,521	6,114,129	1,394,640	-	7,508,769	6,123,752	7,071,244
8	Motor Cars	2,785,426	4,567,572	782,157	6,570,841	1,045,457	357,139	145,353	1,257,243	5,313,598	1,739,969
9	Fiat At Palghar	697,810	-	-	697,810	35,150	11,374	-	46,524	651,286	662,660
	TOTAL	151,020,587	13,660,775	782,157	163,899,206	53,135,337	14,116,967	145,353	67,106,951	96,792,254	97,885,250
	Previous Year	149,824,463	1,196,121	-	151,020,587	39,918,067	13,217,270	-	53,135,337	97,885,250	109,906,398

Note:

- 1 Old factory shed building was burnt by fire in the financial year : 2008-09. It is not written back in the books due to pending receivable of insurance claim from
- 2 New factory shed building is capitalised in January 2010 in place of old factory shed building. (burnt by fire).
- 3 Depreciation is provided on old factory shed building upto 31st December, 2009, after which depreciation is provided on new factory shed building



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SPENTA INTERNATIONAL LIMITED



SCHEDULE "H" : CURRENT ASSETS

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
Inventories		
(a) Stores & Spares (Including Consumables)	200,000	200,000
(b) Stock in trade		
- Raw Material	12,112,532	11,893,315
- Finished Goods	6,749,969	8,567,778
- Packing Material	1,877,600	1,620,113
	20,940,101	22,281,206
Sundry Debtors		
- Debts outstanding for more than 6 months	444,019	83,539
- Others	30,790,702	32,560,850
Less: Provisions		
	31,234,721	32,644,389
Cash & Bank balance		
- Cash balance on hand	212,820	49,915
- Balance with Banks		
With Scheduled Banks		
i) In Current Accounts :	7,478,846	1,222,344
ii) In Fixed Deposit Accounts :	42,238,110	18,612,700
	49,929,776	19,684,959
Other Current Assets	-	-
TOTAL	102,104,598	74,810,555

SCHEDULE "I" : LOANS & ADVANCES

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
Advances recoverable from in cash or in kind for value to be received		
- Advance Taxes	33,337,523	23,614,018
- Prepaid Expenses	310,687	246,599
- Other Loans and Advances	473,862	5,995,041
- Interest Receivables	1,968,834	2,423,440
- Loan to Staff	386,155	417,676
- Deposits	690,560	649,060
TOTAL	37,167,620	33,345,833

**spenta®****SPENTA INTERNATIONAL LIMITED****SCHEDULE "J" : CURENT LIABILITIES**

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
(a) Sundry Creditors		
- Total outstanding dues of Micro Enterprises, Small & Medium Enterprises creditors	21,500,644	12,954,802
- Total outstanding dues of creditors other than Micro Enterprises, Small & Medium Enterprises	12,376,479	10,237,356
(b) Others Liabilities	641,181	443,947
TOTAL	34,518,304	23,631,105

SCHEDULE "K" : : PROVISIONS

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
(a) Provision for Taxation	34,217,568	23,217,568
(b) For Insurance, pension and similar staff benefits scheme		
- Provision for Gratuity	2,384,962	1,990,962
TOTAL	36,602,530	25,208,530

Schedule forming part of Profit & Loss Account

SCHEDULE "L" SALES

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
Exports Sales & Entitlement		
Local Sales	214,334,599	183,903,755
TOTAL	214,334,599	183,903,755

SCHEDULE "M" : VARIATION IN STOCKS

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
Closing Stocks		
Finished Goods	6,749,969	8,567,778
Spares & Consumables	200,000	200,000
	6,949,969	8,767,778
Less :		
Opening Stock		
Finished Goods	8,567,778	13,676,392
Spares & Consumables	200,000	400,000
	8,767,778	14,076,392
TOTAL	(1,817,809)	(5,308,614)

**spenta®****SPENTA INTERNATIONAL LIMITED****SCHEDULE "N" : CONSUMPTION OF MATERIAL**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31 ST March, 2010	As at 31 ST March, 2009
(a) Raw Material		
Opening Stocks	11,893,315	9,427,525
Add : Purchases	97,496,807	82,471,447
Less : Closing Stocks	12,112,532	11,893,315
	97,277,590	80,005,657
(b) Packing Material		
Opening Stocks	1,620,113	1,957,234
Add : Purchases	13,114,596	10,920,066
Less : Closing Stocks	1,877,600	1,620,113
	12,857,109	11,257,187
(c) Socks Purchases		
Opening Stocks		
Add : Purchases	1,370,344	6,198,108
Less : Closing Stocks		
	1,370,344	6,198,108
TOTAL	111,505,043	97,460,953

Schedule forming part of Profit & Loss Account**SCHEDULE "O" : MANUFACTURING EXPENSES**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31 ST March, 2010	As at 31 ST March, 2009
Bonus to Staff	1,314,842	1,084,825
Carriage Expenses	4,521,893	3,233,637
Commission on Purchases	875,298	
Consumables Stores & Spares	2,567,165	1,584,597
Diesel Expenses	489,442	634,079
Embroidery charges	170,795	1,351,767
Factory Employee's & Labour's Benefits	6,948,684	5,955,815
Factory Expenses	402,381	338,681
Gratuity Factory	320,000	329,710
Hamali Charges	35,150	54,770
Job Work Charges	10,143	44,074
Octroi Charges	19,538	115,386
Oil Purchases	167,650	149,816
Other Miscellaneous Expenses	7,885	4,749
Packing Charges	8,351,250	6,402,975
Power - Factory	10,389,407	7,379,831
Provident Fund Employer's Contribution	666,873	612,235
Testing Charges	281,643	83,059
Washing Charges	185,075	97,502
Welfare Expenses	839,754	484,806
TOTAL	38,564,849	29,942,314

**spenta®****SPENTA INTERNATIONAL LIMITED****SCHEDULE "P" : ADMINISTRATIVE AND OTHER EXPENSES**

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
Advertisement & Publicity	35,281	23,732
Auditors Remuneration	217,946	308,442
Bad Debts	13,070	214,581
Bonus To Distributors	76,066	264,595
Business Promotion	662,979	396,403
Car Insurance	55,653	27,608
Claims & Shortages	576,063	1,006,007
Commission on Sales	151,532	543,549
Communication Expenses	303,052	413,253
Conveyance	423,139	369,598
Courier & Postage Charges	145,911	165,320
Debit/Credit Balances Adj Ac	(13,226)	
Directors' remuneration	2,535,000	1,885,000
Discount Given	674,332	2,205,730
Electricity Expenses	87,609	168,992
Foreign Travel	155,940	296,454
Gratuity (Directors)	60,000	60,000
Gratuity (Office)	14,000	14,000
Insurance	438,699	397,572
Late Payment Chgs	91,870	
Legal & Professional Fees	517,214	117,960
Legal Licence fees	239,874	68,083
Listing Fees	34,306	27,445
Loss Due to Fire (Stock)	119,691	2,119
Loss on Sale of Assets	166,804	
Membership & Subscription	30,639	32,843
Miscellaneous expenses	237,430	217,877
Mumbai Sales Diff. Balance W/o		7,407
Municipal Tax	25,629	198,742
Office Expenses	52,286	30,595
Other Miscellaneous Expenses	156,450	5,000
Printing & Stationery	934,517	332,119
Profession Tax	2,500	2,500
Rent	602,000	495,000
Repair & Maintenance	3,684,193	4,360,828
Salaries & Wages - Office	127,916	343,809
Sales Tax	118,268	
Security Charges	516,544	572,158
Service Tax paid	17,873	729
STT on Purchase/sale of Shares	4,362	
Transfer Agent Fees	132,094	136,129
Traveling expenses	333,108	263,167
Vehicle Running Expenses	408,898	358,223
TOTAL	15,387,504	16,333,466

SCHEDULE "Q" : INTEREST & FINANCE CHARGES

PARTICULARS	Amount (Rs.) As at 31ST March, 2010	Amount (Rs.) As at 31ST March, 2009
Bank Charges	260,521	82,721
Interest - Others	102,949	136,870
Interest on Bill Discounting	2,384,109	1,284,184
Interest on Fixed Deposits	238,330	249,996
Interest on Loans Agts. FD's	542,327	
Interest on Short Term Loan	803,004	825,644
Interest on Term Loan	1,273,825	2,137,921
Interest on Working Capital	2,018,510	2,358,890
TOTAL	7,623,574	6,874,026



SPENTA INTERNATIONAL LIMITED.
Significant Accounting Policies and Notes to Accounts

SCHEDULE "R"

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 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention and 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 / Value Added Tax, 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 (SLM) in accordance with the rates and in manner prescribed under Schedule XIV of the Companies Act, 1956 over their useful life.

(f) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the date of the transaction or that approximates the actual rate 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 Yam 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) Investments

Current investments are carried at lower of cost or quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of the long term investments is made only if such a decline is other than temporary.

(i) 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 / Value Added 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.

(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. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Liability towards gratuity benefit has been made on the assumption that such benefits are payable to employees on termination of their employment and method adopted for its calculation has been worked by management internally in place of actuarial valuation method.

(k) Provision for Current Tax & Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax liability is recognized and carried forward only to the extent that there is virtual certainty that the liability will be realized in future.

(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) Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past vents and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

(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.

SCHEDULE "S" 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 Paighar 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 is no small scale Industrial Undertakings to whom an amount of more than 1 Lac is outstanding for more than 30 days.
- (g) During the previous year company has made investments in partnership firm (Vyas Developers- Property Developers) for developing land in Paighar. The said Business has not commenced in the current year, hence, no share of profit & loss account of firm is accounted in the company's book.

CAPACITIES AND PRODUCTION	NUMBER OF PAIRS	
	31st March, 2010	31st March, 2009
Installed Capacity	6,770,000	5,850,000
Actual Production (including sourcing)	6,737,339	5,628,379

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, 2010 is 6 & 98 respectively (previous year as of 31st March, 2009 is 6 & 94 respectively).

DIRECTORS REMUNERATION	Amount (Rs.)	
	31st March, 2010	31st March, 2009
Salaries and Allowances		
Managing Director	1,216,800	1,080,000
Whole time Director	1,708,200	1,530,000
Total	2,925,000	2,610,000



PAYMENT TO AUDITOR	Amount (Rs. in Lacs)	
	31st March, 2010	31st March, 2009
Audit Fees	124,495	124,495
Taxation Matters	41,498	41,498
Certification And Other Charges	51,953	10,487
Total	217,946	176,480

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

(b) Additional Information

C.I.F. VALUE OF IMPORTS	Amount (Rs. in Lacs)	
	31st March, 2010	31st March, 2009
Spares & Consumables	6.51	8.24
Plant & Machinery	71.10	-

FOREIGN EXCHANGE EARNING & OUTGO	Amount (Rs. in Lacs)	
	31st March, 2010	31st March, 2009
Foreign Exchange Earnings (F.O.B. Value of Exports)		
Foreign Exchange Outgo		
- Travelling	1.56	1.37
- Advances for Machines	-	59.07
- Plant & Machinery	71.10	-
- Spares & Consumables	6.51	8.24

J) QUANTITATIVE DETAILS :

RAW MATERIAL (YARN)	As at 31st March, 2010		As at 31st March, 2009	
	Qty. (kgs.)	Amount (Rs.)	Qty. (kgs.)	Amount (Rs.)
Opening Stock	51,988,390	11,893,315	51,974,573	9,427,525
Purchased during the year	445,503,880	97,496,807	390,423,768	82,471,447
Consumption during the year	428,917,330	97,277,590	390,409,951	80,005,657
Closing Stock	68,574,940	12,112,532	51,988,390	11,893,315

RAW MATERIAL (PACKING MATERIAL)	Amount (Rs.)	
	31st March, 2010	31st March, 2009
Opening Stock	1,620,113	1,957,234
Purchased during the year	13,114,596	10,920,066
Consumption during the year	12,857,109	10,480,682
Lost in Fire	-	776,505
Closing Stock	1,877,600	1,620,113



FINISHED GOODS (SOCKS)	As at 31st March 2010		As at 31st March 2009	
	No. of Pairs	Amount (Rs.)	No. of Pairs	Amount (Rs.)
Opening Stock	508,291	8,567,778	955,011	13,676,392
Production	6,737,339	215,978,778	5,628,304	180,028,129
Purchased /Job Work (During the year)	103,186	1,370,344	305,999	6,198,108
Lost in Fire	-	-	416,794	7,431,096
Sales (Net of Returns)	6,873,677	219,166,929	5,964,304	183,903,755
Closing Stock	475,139	6,749,969	508,291	8,567,778

(K) Earnings Per Share (EPS)

Earning per share (with extraordinary items)	31 st March, 2010	31 st March, 2009
Profit after taxation as per profit and loss account (Rs. in Lacs)	187.86	128.93
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)	6.03	4.14

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	
9	Mrs. Rita Gadodia	



(Amount in Lacs)

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								
Mr. Sanjay S. Gadodia	-	-	20.00	1.00	-	-	20.00	1.00
Mrs. Rita S Gadodia	-	-	-	-	0.13	-	0.13	-
Mrs. Sulochana Gadodia	-	-	-	-	-	10.00	-	10.00
Finance Repaid								
Mr. Sandeep S. Gadodia	-	-	-	3.50	-	-	-	3.50
Mr. Sanjay S. Gadodia	-	-	-	1.00	-	-	-	1.00
Mrs. Sulochana Gadodia	-	-	-	-	-	10.00	-	10.00
Interest Paid/Payable								
On Finance Received								
Carnival Properties Pvt. Ltd.	0.70	0.70	-	-	-	-	0.70	0.70
Juvenile Trading Pvt. Ltd.	0.35	0.35	-	-	-	-	0.35	0.35
Mr. Danny F. Hansotia	-	-	1.92	1.92	-	-	1.92	1.92
Mr. Sandeep S. Gadodia	-	-	-	0.14	-	-	-	0.14
Mr. Sanjay S. Gadodia	-	-	2.50	0.50	-	-	2.50	0.50
Mrs. Sulochana Gadodia	-	-	-	-	-	0.40	-	0.40
Interest Paid/Payable								
On Fixed Deposits								
Mr. Firoz M Hansotia	-	-	-	-	1.80	1.80	1.80	1.80
Remuneration								
Mr. Danny F. Hansotia	-	-	12.17	10.80	-	-	12.17	10.80
Mr. Sandeep S. Gadodia	-	-	4.91	4.50	-	-	4.91	4.50
Mr. Sanjay S. Gadodia	-	-	12.17	10.80	-	-	12.17	10.80
Rent Paid								
Juvenile Trading Pvt. Ltd.	0.50	-	-	-	-	-	0.50	-
Mr. Danny F. Hansotia	-	-	2.52	4.32	-	-	2.52	4.32
Mrs. Rita S Gadodia	-	-	-	-	2.64	-	2.64	-



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

(L) Disclosure with regards to Provisions as per Accounting Standard – 29 is as under :

Particulars	Amount (Rs.)
Leave Encashment :	
Opening Balance	254,935
Add : Provision during the year	6,54,127
Less : Payment during the year	246,276
Closing Balance	662,786

(M) 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 : 29th May, 2010

For and behalf of the Board

Sd/-

Sanjay S Gadodia (Chairman & Whole Time Director)

Danny F Hansotia (Managing Director)

Sandeep S Gadodia (Whole Time Director)

Place : Mumbai

Date : 29th May 2010

CASH FLOW STATEMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010.

Sr. No.	PARTICULARS	For the Year Ended 31st March, 2010		For the Year Ended 31st March, 2009	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net Profit before tax as per Profit and Loss Account		28,275,965		15,611,779
	Adjusted for :				
	Depreciation	14,116,987		13,217,270	
	Loss on sale of Assets	166,804			
	Interest / Other Income	(2,937,111)		(846,868)	
	Interest / Finance Charges	7,623,574		6,876,026	
	Miscellaneous Expenditure W/Off		18,970,234		19,246,629
	Operating Profit before Working Capital Changes		47,246,199		34,858,408
	Adjusted for :				
	(Increase) / Decrease Inventories	1,341,105		3,179,945	
	(Increase) / Decrease Sundry Debtors	1,409,669		(7,007,803)	
	(Increase) / Decrease Sundry Creditors	22,281,199.2	25,031,973	12,740,501	(8,912,643)
	Cash Generated from Operations		72,278,172		43,771,050
Net Prior Year adjustments					
Taxes Provision		(11,000,000)		(6,610,000)	
Net Cash from Operating Activities		61,278,172		37,161,050	
B	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of Fixed Assets		(13,660,775)		(1,198,121)
	Sale of Fixed Assets		470,000		
	Investment in Partnership - Vyas Developers				(10,000,000)
	Investment in Quoted Shares		(3,508,605)		
	Movement in Loans & Advances		(3,821,786)		(13,118,513)
	Interest / Other Income		2,937,111		846,668
	Net Cash used in Investing Activities		(17,584,057)		(23,487,967)
	CASH FLOW FROM FINANCIAL ACTIVITIES :				
	Secured Loan (Net)		(7,649,060)		(1,481,854)
	Unsecured Loan (Net)		1,623,336		(2,996,876)
	Interest / Finance Charges Paid		(7,623,574)		(6,876,026)
	Net Cash from Financial Activities		(13,649,298)		(11,354,556)
	Net Increase / (Decrease) in Cash and Cash Equivalents		30,044,817		2,336,528
Opening Balance of Cash and Cash Equivalents		19,884,959		17,548,434	
Closing Balance of Cash and Cash Equivalents		49,929,776		19,884,962	

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

Chartered Accountants
Arrest R. Parikh
 Proprietor
 Membership No : 38188

Place : Mumbai
 Date : 29th May, 2010

For and behalf of the Board

Sd/-

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

Place : Mumbai

Date : 29th May 2010



BALANCE SHEET ABSTRACT AND 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 Date

II. Capital raised during the year:

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilisation and Development of Funds:

Total Liabilities Total Assets

Sources of Funds :

Paid-up Capital Reserves & Surplus

Secured Loan Unsecured Loan

Deferred Tax Liabilities Current Liabilities

Application of Funds :

Net Fixed Assets Investments

Current Assets Misc. Expenses

IV. Performance of the Company:

Turnover Total Expenditure

Profit before Tax Profit after Tax

Earning Per Share Dividend Rate (%)

V. Generic Names of principal services of the company:

Item Code No. (ITC Code)

Product Discription



spenta®

SPENTA INTERNATIONAL LIMITED

SPENTA INTERNATIONAL LIMITED
REGD. OFFICE: PLOT NO. *13, 14, 15 & 16, & 40 (PART) & 40/2, DEWAN INDUSTRIAL ESTATE,
VILLAGE NAVALI, PALGHAR.

PROXY FORM

We OF in
the district of being a member/members of the above named Company hereby
appoint of in the district
of or failing him of
..... In the district of
..... as my / our proxy to attend and vote for me/us on my / our
behalf at the 23rd ANNUAL GENERAL MEETING of the Company to be held at Regd. Office of the company,
on Thursday the 23rd September, 2010, and at any adjournment thereof.

Signed this day of 2010.

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.

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 23rd Annual General Meeting of the Company at Regd. Office of the company on Thursday the 23rd September, 2010 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.

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