

11TH

**ANNUAL REPORT
2004-2005**

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SPECTRUM FOODS LIMITED

L-5, B-II, Krishna Marg, C-Scheme, JAIPUR-302001

DIRECTORS

Shri Pabhu Dayal Samdhani

Shri Anuj Samdhani

Shri Shyam Sunder Sharma

Shri Paras Mal Jain

Shri Sharwan Kumar Batra

BANKERS

HDFC Bank

State Bank of Bikaner & Jaipur

AUDITORS

N. Kataria & Associates

109-110, Pink City Tower,

Peetal Factory, Jaipur

REGISTERED OFFICE

L-5, B-II, Krishna Marg,

C-Scheme, Jaipur-302001 (Rajasthan)

SHARE TRANSFER AGENT

**BEETAL FINANCIAL & COMPUTER
SERVICES (P) LTD.**

Beetal House, 3rd Floor, 99, Madangir,

Behind Local Shopping Centre,

Near Dada Harsukhdas Mandir,

New Delhi-62.

Tel: 011-29961281 / 82, Fax: 011-29961284

E-mail : beetal@rediffmail.com

SPECTRUM FOODS LIMITED

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of **M/s Spectrum Foods Limited**, will be held on Friday 30th September, 2005 at the registered office of the Company at L-5, B-II, Krishna Marg, C- Scheme, Jaipur at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2005 and the Balance Sheet as at that date, and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Prabhu Dayal Samdhani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Sharwan Kumar Batra, who was appointed as an Additional Director and holds office upto ensuing Annual General Meeting of the Company, being eligible for appointment and in respect of whom the Company has received notice in writing from member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation".

By order of the Board

**Sd/-
Shyam Sunder Sharma
(Director)**

**Date : 25th August 2005
Place : Jaipur**

SPECTRUM FOODS LIMITED

NOTES (Forming part of the notice)

1. **A member, who is entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the company.**
2. **The proxy form duly completed and signed should be deposited at the registered office of the Company at least 48 hours before the commencement of the meeting.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 26th September 2005 to Friday 30th September 2005. (Both Days inclusive).
4. Shareholders desiring any information with regard to the Accounts are requested to write to the Company at an early date, to enable the management to keep the information ready.
5. The members are requested to :
 - (a) Intimate changes, if any, in their registered address at an early date.
 - (b) Quote DP ID number in all their correspondence.
 - (c) Intimate about consolidation of folios, if shareholding are under multiple folios,
 - (d) Bring their copies of the Annual Report and the Attendance slips with them at the Annual General Meeting.
 - (e) Mail their correspondence directly to Share Transfer Agent of the Company i.e. M/S Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-62.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 TO ITEM NO. 4.

The Board of Directors appointed Shri Sharwan Kumar Batra as an Additional Director in the meeting of the Board of Directors held on 05/08/2005. The Company has received a notice under Section 257 of the Companies Act, 1956 by member proposing him as the director to the company. The board of directors of your company recommended passing of above resolution. None of the directors except Shri Sharwan Kumar Batra is concerned or interested in the above resolution.

By order of the Board

Sd/-
Shyam Sunder Sharma
(Director)

Date : 25th August 2005
Place : Jaipur

SPECTRUM FOODS LIMITED**DIRECTORS REPORT**

To,
The Members

Your Directors have pleasure in presenting the 11th Annual Report of your Company alongwith Audited Account for the year ended 31st March 2005.

OPERATIONS

The financial performance of the Company for the year ended on 31st March, 2005 as compared to last year is as follows:

Particulars	Rs. In Lacs	
	2004-05	2003-04
Turnover	157.83	47.04
Other Income	0.17	0.11
Increase / (Decrease) in the stock	(0.22)	2.05
Total Expenditure	153.86	42.77
Profit before Tax	3.92	6.43
Provision for Tax	0.45	0.50
Profit After Tax	3.47	5.93

EXPLANATION

The net profit after Tax of the current year has been reduced upto 10.41% of the turnover as compared to last year because the company is doing Share Business which is Speculative in nature. The market of the particular securities was bearish and therefor the company has incurred heavy losses.

DIRECTORS

Shri Sharwan Kumar Batra who was appointed as an Additional Director of the Company sought to be appointed as director. Shri Prabhu Dayal Samdhani who retires by rotation in terms of Article of Association of the Company in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

AUDIT & AUDITORS' REPORT

M/S N. Kataria & Associates, Chartered Accountants, Jaipur Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

SPECTRUM FOODS LIMITED

Accordingly, the said Auditors recommended by the Audit Committee are proposed to be reappointed as auditors of the Company at the Ensuing Annual General Meeting. The notes on accounts referred to in the audit report are self-explanatory and therefore do not call for any further comments.

DIVIDEND

Your Directors intends to conserve the resources and therefore do not recommend the dividend for the year ended 31st March 2005 in order to improve the financial position of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, Your Directors hereby confirms that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation to material departure, if any.
- ii) They have selected such accounting policies and applied them consistently and made judgement 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 and loss of the Company for the period.
- iii) To the best of their knowledge and information, they have taken proper and sufficient care for the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ,and
- iv) They have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

There are no employees with the Company whose particulars are required to be disclosed under section 217(2A) of the Companies Act, 1956 read with the rules framed thereunder.

FIXED DEPOSIT

During the year under review, your company has not invited any fixed deposit from public in terms of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

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**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year Company has not made any expenditure for conservation of energy, research and development and foreign earning and outgo as the company is only a trading company.

CORPORATE GOVERNANCE

Your Company has successfully implemented the Corporate Governance Practices during the year. A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of Listing Agreement with Stock Exchange form part of the Annual Report.

ACKNOWLEDGMENT

Your Directors wish to express their grateful appreciation of the continued co-operation received from the Bank, Govt. Authorities, Customers, Vendors and Shareholders during the year under review, Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executive, staff and Workers of the Company.

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For and on behalf of the Board

**Sd/-
(Shyam Sunder Sharma)
Director**

**Sd/-
(Sharwan Kumar Batra)
Director**

Place : Jaipur

Date : August 25th, 2005

SPECTRUM FOODS LIMITED

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY**

The company firmly believes in and has consistently practiced good Corporate Governance, the primary objective is to create and adhere to a corporate culture of accountability, professionalism, transparency and openness. The company will endeavor on these aspects on ongoing basis. The company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced accountable manner.

2. COMPOSITION OF BOARD OF DIRECTORS

- The Board of Directors comprises of Five Directors, apart from Mr. Batra who is an Executive Director, all the other Four directors are Non executive Directors.

Shri Prabhu Dyal Samdhani	Director (Non-Executive)
Shri Anuj Kumar Samdhani	Director (Non-Executive)
Shri Sharwan Kumar Batra	Director (Executive)
Shri Paras Mal Jain	Director (Non-Executive)
Shyam Sunder Sharma	Director (Non-Executive)

- Details of Board Meeting held for the period 1st April 2004 to 31st March, 2005:

S.No.	Date	Presence of Director
1	30-04-2004	All
2	30-06-2004	All
3	31-07-2004	All
4	30-10-2004	All
5	31-01-2005	All

Information of the Director appointed/ reappointed, nature of their expertise in specific functional areas are furnished hereunder: -

Shri Sharwan Kumar Batra:

Shri Sharwan Kumar Batra, Director, his academic qualification include Bachelor of Arts. He has a wide experience in the field of Marketing and Accounts and has served in the various reputed groups. He has more than 30 years experience in the marketing field.

Shri Prabhu Dayal Samdhani: -

Shri Prabhu Dayal Samdhani is a law graduate and has vast experience in the field of law and personnel management. He has served the company in the capacity of the director for the last many years and the company has been immensely benefitted from his services.

SPECTRUM FOODS LIMITED

3. AUDIT COMMITTEE

Presently, it comprises of three independent non-executive directors of whom Shri Paras Mal Jain is the Chairman of the committee and Shri Shyam Sunder Sharma and Shri Prabhu Dayal Samdhani are the members of the committee.

4. SHAREHOLDERS/INVESTOR'S GRIEVANCE COMMITTEE

Shareholders /Investor's grievance committee specifically looks into the shareholders/investor's complaints, if any and to redress the same expeditiously. The committee approves requests for issue of duplicate share certificate, and transmission and transfer of shares.

Share transfer and Investor Grievance Committee comprises of 3 Directors, Shri Shyam Sunder Sharma as a Chairman, Anuj Samdhani and Shri Paras Mal Jain as other member of the committee in addition to the representative of Share Transfer Agent and Compliance Officer of the company.

There was no complaint pending before share transfer Agent as on 31-03-2005.

A GENERAL BODY MEETING

(i) **Location and time where last three General meetings held :**

AGM/EGM	Date	Time	Venue
AGM	30/09/2002	11.30 A.M.	D-6, Kalwad Scheme, Behind Gopal Bari, Jaipur-01
AGM	30/09/2003	11.30 A.M.	L-5, B-II, Krishna Marg, C-Scheme, Jaipur 01
AGM	28/09/2004	11.00 A.M.	L-5, B-II, Krishna Marg, C-Scheme, Jaipur 01

(ii) No Special resolution was put through Postal Ballot at the last AGM.

5. DISCLOSURE

- The company has complied with the requirement of provision of law and no penalties have been imposed by the stock exchange or SEBI or by any regulatory authority on any matter related to the capital market during the last three years. However, the trading in the securities of the Company has been suspended in the Stock Exchange, Mumbai, the management of the Company is in process to initiate the proceedings to reinstate the trading in the securities of the Company