# 12<sub>TH</sub>

Annual Report 2005 - 2006

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# **SPECTRUM FOODS LIMITED**

L-5, B-II, KRISHNA MARG, C-SCHEME, JAIPUR - 302 001



### **BOARD OF DIRECTORS**

Shri Prabhu Dayal Samdhani - Director
Shri Anuj Kumar Samdhani - Director
Shri Shyam Sunder Sharma - Director
Shri Sharwan Kumar Batra - Director

### **Auditors**

### N. KATARIA & ASSOCIATES

**Chartered Accountants** 

109-110, Pinkcity Towers

Nr. Peetal Factory, Jhotwara Road, Jaipur

# CORPORATE ADVISOR V.M. & ASSOCIATES COMPANY SECRETARIES

309-310, Samod Tower, S.C. Road, Jaipur-302001.

# SHARE TRANSFER AGENT

# BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.

Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre Near Dada Harsukhdas Mandir, New Delhi-62 Tel: 011-29961281 / 82, Fax: 011-29961284

### **BANKERS**

## H. D. F. C. BANK STATE BANK OF BIKANER & JAIPUR

Registered Office: L-5, B-II, Krishna Marg, C-Scheme, Jaipur, Rajasthan.



**NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting of **Spectrum Foods Limited**, will be held on Monday 28<sup>th</sup> August 2006 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**

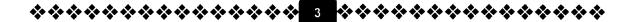
- 1 To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March 2006 and the Balance Sheet as at that date, and the Report of Directors and Auditor thereon
- 2 To appoint a Director in place of Shri Anuj Samdhani who retires by rotation and being eligible, offers himself for re-appointment
- 3 To appoint Auditors and fix their remuneration.

By ord<mark>e</mark>r of the Board

Sd/-Shyam Sunder Sharma (Director)

Date: 30<sup>™</sup> JUNE 2006

Place: Jaipur





### 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.
- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday 25th August 2006 to Monday 28th August 2006 (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, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-62

By order of the Board

Sd/-Shyam Sunder Sharma (Director)

Date: 30<sup>™</sup> JUNE 2006

Place: Jaipur





### SPECTRUM FOODS LIMITED



### **DIRECTORS' REPORT**

To.

The Members

Your Directors have pleasure in presenting the 12<sup>th</sup> Annual Report of your Company along with Audited Account for the year ended 31<sup>st</sup> March 2006

### **OPERATIONS**

The financial performance of the Company for the year ended on 31st March 2006 as compared to last year is as follows

Particulars	Rs. in Lacs		
	2005 - 2006	2004 - 2005	
Turnover	797 04	157 83	
Other Income	4 02	0 17	
Increase / (Decrease) in the stock	(99 60)	(0 22)	
Total Expenditure	903 67	153 86	
Profit/Loss before Tax	(3 01)	3 92	
Prior period adjustment	(0 54)	0	
Provision for Tax	0	0 45	
Profit/Loss After Tax	(3 55)	3 47	

### **EXPLANATION**

The Company has incurred losses of Rs 3 55 Lacs in comparison to the previous year profit of Rs 3 47 Lacs. Since the Company is doing Share Business, which is speculative in nature, and the market of certain securities were bearish, the Company has incurred heavy losses.

### **FOOD BUSINESS**

The Company has ventured in to the food business and is planning to set up a salt refinery in the Nawa region of the Nagour district. The projected cost of the Refinery project is estimated to be Rs. 15 crores out of which the promoters contribution would be Rs. 5 crores and rest will be financed from the Financial Institutions. As the Company is planning to enter in to Food item business at a large scale the business is poised to grow well in future.

### **DIRECTORS**

Shri Anuj 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 Statutory Auditor 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 him to the effect that their appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

Accordingly the appointment of said Auditors recommended by the Audit Committee is 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

As the Company has incurred losses in the current year and therefore do not recommend the dividend for the year ended 31st March 2006

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and disclosures relating to material departure
- ii) The directors had selected such accounting policies and applied them consistently and made judgment 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 Financial Year and of the profit and loss of the Company for that period
- III) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) The Directors had 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

# 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 as the company is only trading company. However, the company is conscious to comply with the same as and when the need for the same falls due

Foreign Exchange Earning - NIL

Foreign Exchange Outgo - NIL

### 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

### ACKNOWLEDGEMENT

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

For and on behalf of the Board

Sd/-(Shyam Sunder Sharma) Director Sd/-(Sharwan Kumar Batra) Director

Place: JAIPUR

Date: 30<sup>™</sup> JUNE 2006



### 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 composition of the Board of Directors of the company fulfills the requirements of clause 49 of the Listing Agreement as on 31 03 2006 The details of the directors and their attendance is given hereunder

Name of the Directors	Attendance at the Last AGM	Category of Director	No. of Directorship in other Public Limited Companies	No. of other Board Committees of which the Director is a Member / Chairman
Shrı Prabhu Dayal Samdhanı	YES	NED & IND	NIL	NIL
Shrı Anuj Samdhanı	YES	NED & IND	NIL	NIL
Shrı Shyam Sunder Sharma	YES	NED & IND	NIL	NIL
Shrı Sharwan Kumar Batra	YES	NED & IND	NIL	NIL

NED & IND - Non- Executive and independent Director, ED - Executive Director

Details of Board Meeting held for the period 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006

S.No.	Date	Presence of Director	
1	29-04-2005	Ali	
2	30-07-2005	All	
3	19-08-2005	All	
4	28-10-2005	All	
5	31-01-2006	All	



# ♦♦♦♦♦♦♦ SPECTRUM FOODS LIMITED •♦♦♦♦♦♦♦

The Board provides leadership, strategic guidance, objectives and independent views to the company's management while discharging its fiduciary responsibility thereby ensuring that the Management adheres to high standards of ethics transparency, disclosure and spirit of Clause 49

All the Board members and senior management personnel have affirmed compliance with the Code of Conduct as on 31st March 2006

 The members of the Board are provided with the requisite information mentionned in the Listing Agreement well before the Board Meetings and the same is dealt with, appropriately

The Board of Directors considers all the matters, which are statutorily required to be considered by them

All the members, who are the members of the various committees, are well within the prescribed limits of the Listing Agreements

 The non-executive directors of the Company as on date do not hold any shares in the company

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

### Shri Anuj Samdhani: -

Shri Anuj Samdhani is a young entrepreneur and is a commerce graduate and having vast and rich experience of stock market more particularly in the trading of shares. He has within a short span of 8-9 years has developed an expertise over the tock market. The Company has been benefited immensely from his services.

### 3. COMMITTEE OF THE BOARD

The committees appointed by the Board focus on specific areas and make informed decisions within the delegated authority. The Committee also makes specific recommendation to the Board on various matters from time to time. All the decisions and recommendations of the committee are placed before the Board for approval. The Company has two Board level Committees.

### 4. AUDIT COMMITTEE

The Audit Committee has been constituted as per section 292A of the Companies Act 1956 and the guidelines as set out in the Listing Agreement with the Stock Exchange





The management is responsible for the Company's internal controls and the financial reporting progress while the statutory Auditor is responsible for performing independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and for issuing reports based on such audits. The Board of directors has constituted the Audit Committee to oversee financial reporting process, reviewing periodic financial results, statement and adequacy of the internal control system. Audit committee also review the periodic internal and statutory auditor report.

### Composition:

Audit Committee comprises of three independent and non-executive directors viz Shri Prabhu Dayal Samdhani, Shri Anuj Samdhani and Shri Shyam Sunder Sharma

### Meetings:

Four Audit Committees meetings were held during the year 2005-06 i.e. on 30th June 2005, 30th July 2005, 15th October 2005, and 30th January 2006

The frequency and quorum etc at these meetings were in conformity with the provisions of the Companies Act, 1956 as also Listing Agreement with the Stock Exchanges

### Attendance:

The attendance of the members at these meetings is as under -

Name of the Member	Meetings held	Numbers of Meetings Attended
Shrı Prabhu Dayal Samdhanı	4	4
Shrı Anuj Samdhanı	4	4
Shrı Shyam Sunder Sharma	4	4

Members of the Audit Committee have requisite financial and Management expertise and hold/ have held senior positions in other reputed organizations

At the invitation of the Committee, representatives of the various departments of the Company, besides the Directors, Statutory Auditors, Internal Auditor Corporate Advisor & Compliance Officer also attended the Audit Committee to answer and clarify the points raised at the Audit Committee Meetings and generally assist the Committee in its deliberations

### Role:

The role and terms of the reference of the Audit Committee cover the matters specified under clause 49 of the Listing Agreement and under the provisions of section 292A of the Companies Act, 1956

