

12TH

**Annual Report
2005 - 2006**

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SPECTRUM FOODS LIMITED

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

SPECTRUM FOODS LIMITED

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, 3rd 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.

SPECTRUM FOODS LIMITED

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of **Spectrum Foods Limited**, will be held on Monday 28th 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 Samdhanı who retires by rotation and being eligible, offers himself for re-appointment
- 3 To appoint Auditors and fix their remuneration.

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By order of the Board

Sd/-
Shyam Sunder Sharma
(Director)

Date: 30TH JUNE 2006

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.
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 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, 3rd 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: 30TH JUNE 2006

Place: Jaipur

SPECTRUM FOODS LIMITED

DIRECTORS' REPORT

To,
The Members
Your Directors have pleasure in presenting the 12th Annual Report of your Company along with Audited Account for the year ended 31st 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 Samdhanī 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

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 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
Shri Prabhu Dayal Samdhan	YES	NED & IND	NIL	NIL
Shri Anuj Samdhan	YES	NED & IND	NIL	NIL
Shri Shyam Sunder Sharma	YES	NED & IND	NIL	NIL
Shri 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 1st April 2005 to 31st March 2006

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

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

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

- 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 Samdhanani 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 stock market. The Company has been benefited immensely from his services.

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.

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

SPECTRUM FOODS LIMITED

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 Samdhan, Shri Anuj Samdhan and Shri Shyam Sunder Sharma.

Meetings:

Four Audit Committee 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
Shri Prabhu Dayal Samdhan	4	4
Shri Anuj Samdhan	4	4
Shri 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 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.