

SPECTRUM FOODS LIMITED

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of **M/s Spectrum Foods Limited**, will be held on Friday the 28th September 2007 at the registered office of the Company at L-5, B-II, Krishna Marg, C- Scheme, Jaipur at 2.00 P.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 2007 and the Balance Sheet as on that date, and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sharwan Kumar Batra who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

 By order of the Board

Sd/-

Shyam Sunder Sharma
(Director)

Date: 1st September 2007

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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 25th September 2007 to Friday 28th September 2007. (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: 1st September 2007

Place: Jaipur



DIRECTORS REPORT

To,

The Members

Your Directors have pleasure in presenting the 13th Annual Report of your Company along with Audited Account for the year ended 31st March 2007.

OPERATIONS

The financial performance of the Company for the year ended on 31st March 2007 as compared to last year is as follows:

Particulars	Rs. In Lacs	
	2006-07	2005-06
Turnover	592.03	797.04
Other Income	18.17	4.02
Increase / (Decrease) in the stock	29.15	(99.60)
Total Expenditure	659.78	903.66
Profit/Loss before Tax	(49.58)	(3.01)
Prior period adjustment	---	(0.54)
Provision for Tax	0	0
Profit/Loss After Tax	(49.58)	(3.55)

EXPLANATION

During the year under consideration, the consolidated sale stood at Rs. 592.03 Lacs as against Rs. 797.03 Lacs. The other income rose considerably from Rs. 4.02 Lacs last year to Rs. 18.17 Lacs this year on the back of rebate and discount received of Rs. 16.04 lacs during the year on sale of spices. Total loss during the year stood at Rs. 49.58 Lacs as against Rs. 3.01 Lacs last year. This loss increased due to loss in trading of shares. Staff costs increased significantly from Rs. 2.37 Lacs last year to Rs. 4.57 Lacs this year thereby putting pressure on margins. There was no provision for taxation during the year.

DIRECTORS

Shri Sharwan Kumar Batra 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 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 your Directors intends to conserve the resources and therefore does not recommend the dividend for the year ended 31st March 2007 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 as at March Year 31, 2007 and of the profit and loss of the Company for that 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.

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.

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: 1st September 2007

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

- Composition of the Board of Directors as on 31.03.2007 and attendance at the Board Meetings during the year.

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 Smdhani	YES	NED & IND	NIL	1
Shri Anuj Samdhani	YES	NED & IND	NIL	2
Shri Shyam Sunder Sharma	YES	NED & IND	NIL	2
Shri Sharwan Kumar Batra	YES	ED	NIL	1

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

- Details of Board Meeting held for the period 1st April 2006 to 31st March, 2007:

S.No.	Date	Presence of Director
1	27-04-2006	All
2	30-06-2006	All
3	26-07-2006	All

4	30-10-2006	All
5	22-01-2007	All

All the Board members and senior management personnel have affirmed compliance with the Code of Conduct as on 31st March 2007.

The members of the Board are provided with the requisite information mentioned 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.

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 is a Bachelor of Arts. He carries a notable experience in the field of marketing and accounts and has served various reputed groups. He has more than 30 years of experience in the marketing field. The Company has been immensely benefited 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.

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:

Five Audit Committees meetings were held during the year 2006-07 i.e. on 25th April 2006, 29th June 2006, 25th July 2006, 28th October 2006 and 20th January 2007.

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 Samdhani	5	5
Shri Anuj Samdhani	5	5
Shri Shyam Sunder Sharma	5	5

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 Meetings and 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.

The Audit Committee has following powers;

- i. To investigate any activity within its terms of reference.
- ii. To seek information from any employee
- iii. To obtain outside legal and other professional advices.
- iv. To secure attendance of outsiders with relevant expertise, if considered necessary.

5. 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.

Composition:

Share transfer and Investor Grievance Committee comprises of 3 Directors, Shri Shyam Sunder Sharma as a chairman, Anuj Samdhani and Shri Sharwan Kumar Batra as other member of the committee in addition to the representative of Share Transfer Agent and Compliance officer of the company.

Meetings:

During the year 2006-07, two meetings were held. The first meeting was held on 24th August 2006 and the second meeting was held on 14th February 2007. During the year under review neither any complaint was pending before share transfer Agent as on 01-04-2007 nor any complaint was received during the year.

Attendance:

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

Name of the Member	Meetings held	Numbers of Meetings attended
Shri Sharwan Kumar Batra	2	2
Shri Anuj Samdhani	2	2
Shri Shyam Sunder Sharma	2	2

6. CODE OF CONDUCT

The board has laid down the code of conduct for the Directors and the Employees of the Company and the same is being followed in true letter and in spirit.

7. SHARE TRANSFER

Since the trading of the shares of the Company is presently suspended, no transfer in electronic form has taken place. Though for expediting transfers, the Company has appointed a common agency M/s Beetal and Financial Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-62 for demat and physical transfers. The Board has delegated share transfer function to the share transfer committee, which is later confirmed by the Board. Physical transfers are effected within one month.

- Shareholding pattern as on 31st March 2007.

S. No.	<u>CATEGORY</u>	NO. OF SHARES HELD	PERCENTAGE OF HOLDING
1.	Promoters Holding		

	Promoter's*		
	> Indian Promoters	1659710	72.93
	> Foreign Promoters	---	---
2.	Person acting in concert #	---	---
	Sub Total (A)	1659710	72.93
3.	Non- Promoters Holding		
	Institutional Investors		
	a. Mutual Fund and UTI.	---	---
	b. Banks, Financial Institutions, Insurance Companies (Central & State Govt. Institution and Non- Governmental Institution)	---	---
	a. FIs	---	---
	Sub-Total (B)	---	---
4.	Others		
	a. Private Bodies Corporate.	290000	12.74
	b. Indian Public.	325990	14.33
	c. NRI's/ OCB's.	---	---
	d. Any Other (Clearing Member Demat Transit)	---	---
	Sub Total (C)	615990	27.07
	Grand Total	2275700	100

ANNEXURE "A"

Category	No. of Shares	% age of Shareholding
1. Indian Promoters		
Girdhar Saboo	1322350	58.11
Lalita Devi Saboo	160590	7.06
Manju Saboo	65390	2.87
Madan Lal Saboo (HUF)	60590	2.66
Chandra Shekhar Saboo	50590	2.22
2. Private Body Corporate		
Saboo Engitech (P) Limited	160000	7.03
Saboo Salts and Allied Products Private Limited	100000	4.39
Stanchart Capital Pvt. Limited	30000	1.32

• **Distribution of Shareholding as on 31st March 2007**

No. of Shares	No. of Shareholders	% to total	No. of Shares	Voting Strength
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