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Annual Report 2010-11

SPECTRUM FOODS LIMITED

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

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BOARD OF DIRECTORS

Shri Anuj Kumar Samdhani

Director (Non-Executive)

Shri Navar Singh Parmar

Additional Director W.e.f 12/04/2011

Shri Atul Kharbanda

Director (Non-Executive) (w.e.f. 30.01.2009)

Shri Vijay Kumar

Additional Director (w.e.f 13/01/2011)

COMPLIANCE OFFICER

Mr. Rohit Pareek

Statutary Auditors

N.Kataria & Associates

Corporate Advisors Naredi Vinod & Associates

Chartered Accountants 109-110, Pinkcity Towers, Nr Peetal Factory,

Company Secretaries, Jaipur Tower, M.I.Road

Jhotwara Road, Jaipur

Jaipur-302 001

Registered Office

'Surya House'

HDFC Bank Ltd

Bankers

L--5, B – II, Krishna Marg, C-Scheme, Jaipur 302001,

State Bank of Bikaner & Jaipur

(RAJASTHAN)

Registrar & 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-110062

Tel: 011 2996 1281/82 Fax: 011 2996 1284

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting of the members of **Spectrum Foods Limited**, will be held on Saturday, the 17th day of September, 2011 at 3:00 P.M. at Surya House, L-5, B - II, Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan, to transact the following business.

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
- 2. To appoint a Director in place of Shri Anuj Kumar Samdhani who retires by rotation, and being eligible offers himself for re-appointment.
- 3. To appoint M/s. N. Kataria & Associates, Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 4. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.
 - "RESOLVED THAT Shri Vijay Kumar, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting in respect of whom Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.
- To appoint M/s Naredi Vinod & Associates, Company Secretaries, Jaipur for the issuance of Compliance Certificate for the financial year 2010-2011 and to fix their Remuneration.

Date 17/08/2011 Place : Jaipur Sd/-(Shri Atul Kharbnda) Director

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, FILLED AND SIGNED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 2. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under item no.4 to be transacted at the 17th Annual General meeting is given below and forms part of the Notice.
- 3. Members and Proxies are requested to bring their admission slips duly filled in for attending the meeting.
- 4. Beetal Financial & Computer Services (P) Ltd. is the Registrar and Share Transfer Agent (RTA) for physical shares and is also the depository interface of the Company with both CDSL and NSDL.
- 5. Shareholders holding shares in the certificate form are requested to notify/send the followings to Beetal Financial &Computer Services (P) Ltd. to facilitate better servicing:
- Any change in their address/ mandate/ bank details,
- Particulars of their bank account, in case the same have not been furnished earlier, and
- Share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
- The shareholders, who have not converted their shares in demat form, are requested to do so.
- 7. The documents referred to in the proposed resolutions are available for inspection at the registered office of the Company during working hours between 10.00 a.m. to 1.00 p.m. except on holidays.
- 8. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
- 9. The register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 8th day of September, 2011 to Saturday, the 17th day of September, 2011 (Both days inclusive).
- 10. Members are requested to bring their personal copy of Annual Report to the Meeting.

Explanatory Statement Pursuant to Section 173(2) Of the Companies Act, 1956 Item no. 4

The Board of Directors appointed **Shri Vijay Kumar** as an Additional Director. The

aforesaid appointment was in pursuance of the provisions of Section 260 of the Companies Act, 1956 and relevant Articles of the Articles of Association of the Company. He holds office up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with deposit of Rs. 500/signifying his intention to propose Shri Atul Kharbanda as a Director of the Company in terms of Section 257 of the Companies Act, 1956. If appointed, Shri Atul Kharbanda will act as a non-executive Director liable to retire by rotation.

The Board commends passing of the Resolution.

None of the Directors of the Company other than Shri Atul Kharbanda is concerned or interested in the said Resolution.

Item No. 5

As per the requirements of section 383A of the Companies Act, 1956 and (Companies Compliance) Certificate Rules, 2001 the Company has to obtain a certificate from Company Secretary in practice certifying that legal and procedural requirement under the Companies Act have been duly complied with by the Company. For which appointment of M/s Naredi Vinod & Associates, Company Secretaries, Jaipur, for conducting and issuing Compliance Certificate u/s 383A of Companies Act, 1956 is sought.

Your Directors recommend the Ordinary Resolution for approval of members.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

ANNEXURE TO THE NOTICE OF 17[™] AGM

Details of Directors seeking appointment/re-appointment in the Annual General Meeting to be held on 17th September, 2011, pursuant to Clause 49 of Listing Agreement:

Name of Director	Shri Anuj Kumar Samdhani	Shri Atul Kharbanda	Shri Navar Singh Parmar	Shri Vijay Kumar
Date of Birth	05.12.1977	17.04.1974	17.04.1974	15.06.1972
Date of Birth	24.02.1997	30.01.2009	30.01.2009	30.01.2011
Desianation	Director	Director	Director	Director
Qualifications	Graduate	Graduate	Graduate	Graduate
Directorship held in other Public Limited combanies	Nil	Nil	Nil	Nil
Membership/Chairmanship of Committees of other public companies	Nil	Nil	Nil	Nil

DIRECTORS' REPORT

To,

The Members,

Spectrum foods Ltd.,

Your Directors are pleased to present the 17th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2011

1. FINANCIAL RESULTS

The financial result of the Company for the year under report as compared to the previous year are summarised below:

(Rs. In lacs)

Particulars	Period ended	Period ended
	31.03.2011	31.03.2010
Total Income Profit (loss) before Depreciation & Taxation Depreciation Profit before Tax	1,86,74,080 1,45,12,459 - 1,45,12,459	233,83955 42,10643 - 42,10643
Taxation (including FBT & Deferred Taxation) Profit (loss) after Tax	1,70,654 1,43,41,805	5,58,675 36,51,968

2. TURNOVER, PROFITS & FUTURE PROSPECTS

The total income during the year under review was Rs.18,67,408 Lacs as against Rs. 2,33,83,955 Lacs in the previous year. The Company incurred a profit Rs. 1,43,41,805 Lacs as against Rs. 36,51,968 Lacs last year.

3. DIVIDEND

In view of the financial position of the Company, your Directors do not recommend payment of any dividend for the year ended on 31st March, 2011.

4. BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Anuj Kumar Samdhani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri Atul Kharbanda, who was appointed as an Additional Director under Section 260 of the Act and is liable to hold office upto the ensuing Annual General Meeting, being eligible offers himself for re-appointment. The Company has received necessary notice under Section 257 of the Act. Your Board of Director recommends his re-appointment.

5. AUDITORS AND AUDITOR'S REPORT

M/s N. Kataria & Associates, Chartered Accountants, Jaipur, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

The Company has received the necessary certificate from them pursuant to 224 (1B) of the Companies Act 1956, regarding their eligibility for re-appointment. Accordingly, approval of members is being sought at the forthcoming Annual General Meeting.

The report is self-explanatory and does not call for any explanation.

6. LISTING AT STOCK EXCHANGE

The Equity Shares of the Company are listed at Jaipur, Mumbai, Ahmedabad, Delhi and Calcutta.

7. PARTICULARS OF EMPLOYEES

There are no Employees in the Company whose particulars are required to be disclosed under Section 217(2A) of the Companies Act, 1956 read with rules there under.

8. FIXED DEPOSITS

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

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars regarding foreign exchange earning and expenditure, conservation of energy, research and development and technological absorption are set out in the 'Annexure A' to this report.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report on Management Discussion and Analysis as required under the Listing Agreements with the Stock exchange is set out as' Annexure B' to the Director's Report.

11. CORPORATE GOVERNANCE REPORT

The Company has complied with all the mandatory requirements of Corporate Governance specified by Securities & Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement. As required by the said clause, a separate Report on Corporate Governance forms part of the Annual Report of the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the companies Act, 1956, your Directors confirm that:

- 1- In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departure.
- 2- The Directors have selected such accounting policies & applied them consistently & made judgment & estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year & of the Profits of the Company for the year.
- 3- The Directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company & for preventing & detecting fraud & other irregularities.

4- the Directors have prepared the accounts for the year ended 31st March, 2011 on a 'going concern basis'.

13. COMPLIANCE CERTIFICATE:

As per the requirement of Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from M/s. V. M. & Associates, Company Secretaries in Whole-time Practice, confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of the Compliance Certificate is annexed to this report. It is proposed to appoint, M/s V. M. & Associates, Company Secretaries in Whole-time Practice, for issuance of Compliance Certificate, for the financial year 2010-2011.

14. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the co-operations received from its Bankers, Government 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 services of the executive, staff and workers of the Company.

For and on behalf of the Board of Directors

Sd/- Sd/-

Date: 26.08.2011 Anuj Kumar Samdhani ATUL KHARBANDA (Director) (Director)

ANNEXURE "A" TO THE DIRECTORS' REPORT:

CONSEREVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, your Company has not made any expenditure for the 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

ANNEXURE "B" TO THE DIRECTORS' REPORT:

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management of the Company is pleased to present its analysis on the Company's performance and its outlook, opportunities and challenges prepared in compliance with the Corporate Governance requirement as laid down in the listing agreement.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company proposed to capture the growth potential in FMCG products by entering in retailing of the same.

OUTLOOK

Company continues to enjoy strong support from its promoters. As the Company has entered into the manufacturing of spices and Industrial and edible Salt arena, the business is poised to grow well in to the future. The Company is also planning to enter in the retail market by distribution the FMGC products.

OPPORTUNITIES, THREATS, RISK AND CONCERNS

Company is planning to launch Salt under "MAYUR" brand name and is poised to capture a large market share. Initially the production will be outsourced and soon company is planning to set up a 2,00,000 M.T. Salt Refinery Project using state at the act technology.

CHALLENGES

Now the Company is working on building its own brand image. The Company is also setting up its own network for marketing and selling its spices and industrial salt. The brand building image will require recruitment of high quality manpower and setting up of distribution network on large scale. The management is also contemplating of taking steps for cost reduction in order to improve the financial position.