

15TH

Annual Report
2008 - 2009

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 Shyam Sunder Sharma
Director (Non-Executive)

Shri Atul Kharbanda
Director (Non-Executive)
(w.e.f. 30.01.2009)

COMPLIANCE OFFICER
Mr. Rohit Pareek

STATUTORY AUDITORS
N.Kataria & Associates
Chartered Accountants
109-110, Pinkcity Towers, Nr Peetal Factory,
Jhotwara Road, Jaipur

CORPORATE ADVISORS
V. M. & Associates
Company Secretaries
403, Royal World, Sansar Chandra Road,
Jaipur-302 001

REGISTERED OFFICE
'Surya House' L—5, B – II, Krishna Marg,
C-Scheme, Jaipur 302001,
(RAJASTHAN)
Phone : 0141-4053014

BANKERS
HDFC Bank Ltd
State Bank of Bikaner & Jaipur

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

Notice is hereby given that 15th Annual General Meeting of the members of **Spectrum Foods Limited**, will be held on Friday, the 11th day of September, 2009 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

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009, 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

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

4. **"RESOLVED THAT** Shri Atul Kharbanda, 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."
5. To appoint M/s V. M. & Associates, Company Secretaries, Jaipur for the issuance of Compliance Certificate for the financial year 2009-2010 and to fix their Remuneration.

Date : 30.06.2009

Place : Jaipur

BY ORDER OF THE BOARD

Sd/-
(Atul Kharbanda)
(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 & 5 to be transacted at the 15th 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.
6. 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 2nd day of September, 2009 to Friday, the 11th day of September, 2009 (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 in its meeting held on 30.01.2009 appointed Shri Atul Kharbanda 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 Recommends 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 V. M. & 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.

Date : 30.06.2009

BY ORDER OF THE BOARD

Place : Jaipur.

Sd/-
(ATUL KHARBANDA)
(Director)

ANNEXURE TO THE NOTICE OF 15TH AGM

Details of Directors seeking appointment/re-appointment in the Annual General Meeting to be held on 11th September, 2009, pursuant to Clause 49 of Listing Agreement:

Name of Director	Shri Anuj Kumar Samdhani	Shri Atul Kharbanda
Date of Birth	05.12.1977	17.04.1974
Date of Appointment	24.02.1997	30.01.2009
Designation	Director	Director
Qualifications	Graduate	Graduate
Directorship held in other Public Limited companies	Nil	Nil
Membership/Chairmanship of Committees of other public companies	Nil	Nil

DIRECTORS' REPORT

To,
The Members,
Spectrum foods Ltd.,

Your Directors are pleased to present the 15th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2009

FINANCIAL RESULTS

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

Particulars	(Rs. in lacs)	
	Year ended 31.03.2009	Year ended 31.03.2008
Total Income	190.47	2389.09
Profit (loss) before Depreciation & Taxation	(7.66)	(32.81)
Depreciation	-	-
Profit before Tax	(7.66)	(32.81)
Taxation (including FBT & Deferred Taxation)	-	-
Profit (loss) after Tax	(7.66)	(32.81)

TURNOVER, PROFITS & FUTURE PROSPECTS

The total income during the year under review was Rs 190.47 Lacs as against Rs 2389.09 Lacs in the previous year. The Company incurred a loss Rs. (7.66) Lacs as against Rs. (32.81) Lacs last year.

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, 2009.

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.

- Mr. Pradeep Saxena and Mr. Bal Mukund Sharma have resigned from the Directorship of the Company and their resignations have been accepted in the board meeting held on 30th January, 2009 & due to sudden demise of Shri Sharwan Kumar Batra who was the director of the Company ceased to be a Director of the Company w.e.f. 10th September 2008.

AUDITORS & 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.

LISTING AT STOCK EXCHANGE

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

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.

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

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.

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.

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.

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, 2009 on a 'going concern basis'.

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 2009-2010.

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

Date : 30.06.2009
Place : JAIPUR

Sd/-
SHYAM SUNDER SHARMA
(Director)

Sd/-
ATUL KHARBANDA
(Director)

ANNEXURE "A" TO THE DIRECTORS' REPORT:

CONSERVATION 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 of the art 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, edible 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.

INTERNAL CONTROL SYSTEM

The company remains committed to ensure an effective internal control that provides assurance on the efficiency of operations and security of assets. The company's well established and robust internal audit processes, both at business and corporate levels, continuously monitor the effectiveness of the internal control environment across the company and the status of compliance with operating systems, internal policies and regulatory requirements.

The company has also undertaken steps to implement new control measures in line with best global practices.

HUMAN RESOURCE DEVELOPMENT

Of all the resources available to the Company, Human Resource is the only asset that appreciates with time. In its continued efforts to nurture the best human talent, during the year the management continued with its strategy of imparting professional training to the executives and staff at various levels with a view to upgrade their competency and remove all levels of inefficiency in order to make the Company more competitive. This is not a luxury, but a necessity, if the Company has to survive in a globally competitive market, providing better product at better cost requires additional efforts to develop skills and efficiency in the new appointees to face the challenge.

SPECTRUM FOODS LIMITED

COMPLIANCE CERTIFICATE

CIN: L15499RJ1994PLC008016

Authorised Share Capital: Rs. 7,00,00,000/-

To,
The Members
SPECTRUM FOODS LIMITED
'SURYA HOUSE', L5-B-II , KRISHNA MARG
C-SCHEME
JAIPUR.

We have examined the registers, records, books and papers of **SPECTRUM FOODS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2009**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers, we certify that in respect of the aforesaid financial year:

- 1 the company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- 2 the company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies through Ministry of Corporate Affairs with additional filing fees as prescribed under the Act and the rules made thereunder. However, no forms and returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
- 3 the Board of Directors duly met **6(six)** times respectively on 24.04.2008, 21.06.2008, 31.07.2008, 25.09.2008, 25.10.2008 and 30.01.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded in the minute books maintained for this purpose. However, no circular resolution has been passed by the Company.
- 4 the company closed its Register of Members from 16th September 2008 to 25th September 2008 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
- 5 the Annual General Meeting for the financial year ended on **31st March, 2008** was held on **25th Sept. 2008** after giving due notice to the members of the company and the resolution passed thereat were duly recorded in minutes book maintained for the purpose.
- 6 the company has made necessary entries in the register maintained under Section 301 of the Act.

- 7 the company has duly complied with the requirements of section 217 of the Act.
- 8 the Board of Directors of the company is duly constituted and Shri Pradeep Saxena, Shri Bal Mukund Sharma and Shri Atul Kharbanda were appointed as Additional Directors. However Shri Sharwan Kumar Batra, Shri Bal Mukund Sharma and Shri Pradeep Saxena ceased to be Directors during the year.
- 9 the directors have disclosed their interest in other firms/companies to the board of directors pursuant to the provisions of the Act and the rules made thereunder.
- 10 *the company has complied with the provisions of Section 58A and 58AA read with Rule 2(b)(iv) of the Companies (Acceptance of Deposit) Rules, 1975, only to the extent of unsecured loans taken from body corporates, being exempted .*
- 11 the company has made loans and investments to other bodies corporates in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
- 12 other paras of the Companies (Compliance Certificate) Rules, 2001 are either NIL or NOT APPLICABLE for the financial year under review.

PLACE: JAIPUR

Date: 30.06.2009

**FOR V.M. & ASSOCIATES
COMPANY SECRETARIES**

**Sd/-
MANOJ MAHESHWARI
PARTNER
C.P.No. 1971**

Annexure A

- 1) Register of Members and their Index u/s 150 & 151.
- 2) Minutes Books of Meetings of Directors & Members u/s 193.
- 3) Register of Particulars of Contracts in which Directors are interested u/s 301.
- 4) Register of Directors, Managing Directors, Manager & Secretary u/s 303.
- 5) Registers of Directors Shareholding u/s 307.
- 6) Register of all investment and loans made, guarantee given or security provided to any body corporate u/s 372A.

Other Registers

- 1) Register of Director's Attendance.
- 2) Register of Share holder's Attendance.
- 3) Register of Transfer of Shares.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies through Ministry of Corporate Affairs, during the financial year ending on 31st March, 2009.

- 1 Form No. 20B alongwith Annual Return under Schedule V, for the Annual General Meeting held on 25.09.2008, filed on 08.11.2008, in time.
- 2 Form No. 23AC alongwith Balance Sheet and Profit & Loss Account for the year ended on 31.03.2008, filed u/s 220 on 26.09.2008, in time.
- 3 Form-32 for cessation of Shri. Sharwan Kumar Batra as director w.e.f10.09.2008 was filed on 01.10.2008, in time.
- 4 Form-32 for appointment of Shri. Pradeep Saxena & Shri. Bal Mukund Sharma as additional director w.e.f 25.09.2008 was filed on 01.11.2008, along with additional filing fees.
- 5 Form-32 for appointment of Shri Atul Kharbanda as additional director w.e.f 30.01.2009. & for cessation of Shri Bal Mukund Sharma as director w.e.f 30.01.2009 was filed on 02.02.2009, in time.
- 6 Form-32 for cessation of Shri. Pradeep Saxena as director w. e. f 30.01.2009 was filed on 09.02.2009, in time.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management. It also aims to align, as nearly as possible, the interests of individuals, corporations and society and thereby enhancing the stakeholders' value. Good corporate governance practices have always been an integral part of the Company's philosophy. The commitment to good corporate governance practices predates the laws and mandates of the Securities and Exchange Board of India (SEBI) and the stock exchanges through Clause 49 of their listing agreements. Given below are the Company's corporate governance policies and practices:

2. BOARD OF DIRECTORS

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

• Composition

The composition of the Board of Directors of the company fulfills the requirements of Clause 49 of the Listing Agreement with the stock exchange, in which the Company's shares are listed.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the Companies in which he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other Companies.

• Details of meeting Held

The Board met 6 times on the following dates during the financial year 2008-09:

24th April, 2008; 21st June, 2008; 31st July, 2008; 25th September, 2008; 25th October, 2008 and 30th January, 2009

• Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2008-09 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other Public Limited Companies as on March 31, 2009 are as follows:

Name of Directors	Status	Board Meetings attended during the year	Attendance at last AGM	Number of Directorship Held in other Public companies	Board Committee Membership/ Chairmanship held in other Public companies
Shri Prabhu Dayal Samdhani	Director(Non-Executive)	5	Yes	Nil	Nil
Shri Anuj Kumar Samdhani	Director(Non-Executive)	6	Yes	Nil	Nil
Shri Shyam Sunder Sharma	Director(Non-Executive)	6	Yes	Nil	Nil
Shri Pradeep Saxena	Director(Non-Executive)	2	No	Nil	Nil
Shri Bal Mukund Sharma	Director(Non-Executive)	2	No	Nil	Nil
Shri Sharwan Kumar Batra	Director (Executive)	3	No	Nil	Nil

Shareholding of Non-Executive Directors as on March 31, 2009 is as under:

Sr. No.	Name	No. of shares held	% of Paid-up Capital
1.	Shri Anuj Kumar Samdhani	NIL	NIL
2.	Shri Shyam Sunder Sharma	NIL	NIL
3.	Shri Atul Kharbanda	NIL	NIL

3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of reference include:

- To investigate any activity within its terms of reference.
- To seek information from any employee/ records of the Company.
- To obtain outside legal or other professional advice.
- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Major accounting entries based on exercise of judgment by management.
- Compliance with accounting standards.
- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Any changes in accounting policies and practices.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditor regarding any significant findings and follow up thereon.
- Discussion with external auditors before the audit commences the nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- Review the functioning of the Whistle Blower mechanism.
- Any other item referred to it by the Board.

➤ **Composition:**

<i>Name</i>	<i>Designation</i>	<i>Category</i>
Shri Shyam Sunder Sharma	Chairman	Non-Executive & Independent Director
Shri Prabhu Dayal Samdhani	Director	Non-Executive & Independent Director
Shri Anuj Kumar Samdhani	Director	Non-Executive & Independent Director
Shri Rohit Pareek	Compliance Officer	Compliance Officer

➤ **Meetings held:**

The committee met 5 times on the following dates during the financial year 2008-09: 24th April, 2008; 21st June, 2008; 31st July, 2008; 25th October, 2008 and 30th January, 2009

➤ **Category and Attendance of members:**

The names and categories of the Directors on the Committee, their attendance at the Meetings held during the Financial Year 2008-2009 are as follows:

Name	Category	Attendance
Shri Shyam Sundar Sharma	Non-Executive & Independent Director	5
Shri Prabhu Dayal Samdhani	Non-Executive & Independent Director	5
Shri Anuj Samdhani	Non-Executive & Independent Director	5

Members of the Audit Committee have requisite financial and management expertise and have held or hold senior positions in other reputed organization.

The Statutory Auditors, Internal Auditors and the Compliance Officer are invited to attend and participate in the meeting of the Committee. The Compliance Officer acts as the Secretary to the Committee.

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Board of Directors constituted the shareholders/ investors' grievance committee to look into redressal of investors' complaints like share transfers, non-receipt of annual reports, issue of duplicate share certificate, transfer and transmission of shares and other allied transactions. Its scope also includes delegating the powers to the executives of Company/share transfer agents to process share transfers etc.

➤ **Composition:**

Name	Designation	Category
Shri Shyam Sunder Sharma	Chairman	Non-Executive & Independent Director
Shri Atul Kharbanda	Director	Non-Executive & Independent Director
Shri Anuj Kumar Samdhani	Director	Non-Executive & Independent Director

➤ **Meetings held:**

The committee met 3 times on the following dates during the financial year 2008-09:
30th August, 2008; 25th October, 2008 and 30th January, 2009

➤ **Category and Attendance of members:**

The names and categories of the Directors on the Committee, their attendance at the Meetings held during the Financial Year 2008-2009 are as follows

Name	Designation	Attendance
Shri Shyam Sunder Sharma	Chairman	3
Shri Anuj Samdhani	Director	3
Shri Pradeep Saxena	Director	1
Shri Sharwan Kumar Batra	Director	1

➤ **Status of Investor Complaints**

There was no complaint pending before share transfer Agents as on 31.03.2009

5. GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are given below:

AGM/EGM	Date	Time	Venue
AGM	28.08.2006	11.00 am	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.
AGM	28.09.2007	2.00 pm	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.
AGM	25.09.2008	11.00 am	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

No Postal Ballot was conducted during the year to seek the approval of the shareholders in the financial year under review.

No special resolution was put through or passed during the last three years.

6. CODE OF CONDUCT

The Board has laid down a code of conduct for the Directors and the employees of the Company. The code is being followed in true letter and spirit.

7. DISCLOSURES

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their relatives etc. that may have potential conflict with the interests of the Company at large.

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital market.

The Company has adopted a Whistle Blower policy and has established the necessary mechanism in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchange, for employees to report concerns about unethical behaviors. No personnel have been denied access to the audit committee.

8. MEANS OF COMMUNICATION

In compliance with the requirements of Listing Agreement, the Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges where shares of the Company are listed for the benefit of the investors, immediately after they are taken on record by the Board. Moreover, the said results were put up on the BSE website, apart from being published in Dainik Samachar and "Adhikar". The Company has also been filing its financial results as per & in compliance of EDIFAR.

Management Discussion and analysis Report forms part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

a Annual General Meeting

Annual General Meeting of the Company will be held on Friday, the 11th day of September, 2009 at 3.00 P.M. at Surya House, L-5, B- II, Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

No special resolution is proposed to be passed by Postal Ballot at the aforesaid Annual General Meeting.

b Financial Calendar (Tentative)

- Result for the qtr ending June 30, 2009 Last week of July, 2009
- Result for the qtr ending Sep 30, 2009 Last week of Oct, 2009
- Result for the qtr ending Dec 31, 2009 Last week of Jan, 2010
- Result for the qtr ending Mar 31, 2010 Last week of June, 2010

c. Book Closure Date

The Share Transfer Register and Register of Members of the Company shall remain closed from the 2nd day of September, 2009, to the 11th day of September, 2009 (both days inclusive).

d Dividend

No dividend being recommended by the Board during the year.

e. Listing of Equity Shares in Stock Exchange

The share of the Company are Listed at Jaipur, Mumbai, Ahmedabad, Delhi and Calcutta Stock Exchanges.

f Demat ISIN exchange number in NSDL & CDSL for equity shares

INE547C01018

g. Stock Code.

Bombay Stock Exchange Limited, Mumbai – 531982.

h Market Price Data

As the trading of the Securities in the Stock Market is suspended, no market price data is at present available.

i. REGISTRAR & SHARE TRANSFER AGENT

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
 Telephone No. 011 2996 1281/82
 Fax: 011 2996 1284

j. SHARE TRANSFER SYSTEM

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer to Shareholders' & Investor Grievances Committee. As on date all the work related to the shares both held in physical and electronic form is handled by RTA. All correspondences are to be directed to the RTA at the address mentioned above. The correspondences may also be sent at the Company's address which will be sent by the Company to RTA. Share transfer is normally affected within the maximum period of 30 days from the date of receipt, if all required documentation is submitted.

k. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2009

Share Holding of nominal Value of Rs	Number of Shareholders	% To Total	Number of shares	Amount in Rs.	% To Total
Up to 5000	4	16.67	890	8,900.00	0.0391
5001 to 10000	7	29.17	4,900	49,000.00	0.2153
10001 to 20000	1	4.17	1,300	13,000.00	0.0571
20001 to 30000	1	4.17	2,300	23,000.00	0.1011
30001 to 40000	1	4.17	3,100	31,000.00	0.1362
40001 to 50000					
50001 to 100000					
100001 and above	10	41.67	22,63,210	2,26,32,100.00	99.4512
TOTAL	24	100.00	22,75,700	2,27,57,000.00	100.0000

I. Share Holding Pattern As ON 31st MARCH, 2009

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Share Pledged of otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of Share	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals/ Hindu Undivided Family	6	1,659,610	1,252,350	72.93	72.93	-	-
Bodies Corporate	3	2,90,800	130,800	12.78	12.78	-	-
Sub Total	9	1,950,410	1,383,150	85.71	85.71	-	-
(2) Foreign							
Total Shareholding of Promoter and Promoter Group(A)	9	1,950,410	1,383,150	85.71	85.71	-	-
(B) Public Shareholding							
(1) Institutions							
(2) Non- Institutions							
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	14	12,390	2,500	0.54	0.54	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4	312,900	299,800	13.75	13.75	-	-
Sub Total	18	325,290	302,300	14.29	14.29	-	-
Total Public Shareholding(B)	18	325,290	302,300	14.29	14.29	-	-
Total (A)+(B)	27	2,275,700	1,685,450	100.00	100.00	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued							
Total (A)+(B)+(C)	27	2,275,700	1,685,450		100.00	-	-

m. DEMATERIALISATION OF SHARES

The shares of the Company are in compulsory demat segment ,as on 31st March 2009, 1,685,450 equity shares of the Company forming 74.06% of the share capital of the Company stand dematerialized.

n. OUTSTANDING GDRs/Warrants and Convertible Instruments

The Company has not issued any GDRs/Warrants or any other instrument which is convertible into Equity Shares of the Company.

o. PLANT LOCATIONS

Not applicable.

p. ADDRESS FOR CORRESPONDENCE

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
Telephone no. 011 2996 1281/82
Fax: 011 2996 1284

Shareholders may also contact to:

The Compliance officer: L-5, B - II
Krishna Marg C-Scheme, Jaipur-302001,
Rajasthan.

10. SECRETARIAL AUDIT

For each of the quarter in the financial year 2008-09, M/s V M & Associates, Company Secretaries, Jaipur carried out secretarial audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit report confirm that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

11. CIN

The Corporate Identification Number ("CIN") of the Company as allotted by Ministry of Company Affairs is L15499RJ1994PLC008016.

12. CEO/CFO CERTIFICATE

Certificate from CEO/CFO for the financial year ended March 31, 2009 has been given elsewhere in the Annual Report.

For and on behalf of the Board of Directors

Date : 30.06.2009
Place : JAIPUR

Sd/-
SHYAM SUNDER SHARMA
(Director)

Sd/-
ATUL KHARBANDA
(Director)

AUDITORS' REPORT ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To,
The Members,
Spectrum Foods Limited,
Jaipur,

We have examined the compliance of conditions of Corporate Governance by for the year ended on 31st March, 2009, as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has generally complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N.Kataria & Associates
Chartered Accountants

Place : Jaipur

Date : 30.06.2009

Sd/-
Nikhilesh Kataria, FCA
Proprietor
Membership No. 79048

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel.

I confirm that the Company has, in respect of the financial year ended March 31, 2009, received from the members of the Board and the senior management team of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

Place: Jaipur

Date : 30.06.2009

Sd/-
ATUL KHARBANDA
(Director)

**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) /
CHIEF FINANCIAL OFFICER (CFO)**

We, Atul Kharbanda Chief Executive Officer and Bhanwar Singh, Chief Financial Officer of **Spectrum Foods Limited**, to the best knowledge and belief hereby certify:

That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2009 and that to the best of our knowledge and belief;

- These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
- These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;

We accept responsibility for establishing and maintaining internal controls, we have evaluated the of effectiveness the internal control systems of the Company and we have disclosed and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation on internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and;

That we have informed the auditors and the audit committee of:

- Significant changes in internal control during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place : Jaipur
Date : 30.06.2009

Sd/-
Atul Kharbanda
(Chief Executive Officer)

Sd/-
Bhanwar Singh
(Chief Financial Officer)

REPORT OF THE AUDIT COMMITTEE

To,
The Shareholders,
Spectrum Foods Limited,
Jaipur

The Audit Committee of the Board of Directors comprises of 3 Directors (Non-Executive & Independent Directors) of the Company. The Committee operates under a written charter adopted by the Board of Directors, and has been vested with all the powers necessary to effectively discharge its responsibilities.

The committee has primary responsibility for the financial statements and reporting process including the systems of internal controls. During the year, the Committee discussed with the Company's auditors about the overall scope and plans for their audit. The Committee also discussed the result of their examination, their evaluation of the Company's internal controls and the overall quality of the Company's financial reporting.

In fulfilling its oversight responsibilities, the committee has reviewed and discussed the Company's audited financial statements with the management. Relying on the review and discussions with the management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in all material aspects.

Further the Committee has recommended that for the year 2009-10, the Board re-appoint **M/s N.Kataria & Associates** as Statutory Auditors.

The Company's Code of Business Conduct and Ethics has the mechanism whereby no personnel intending to make a complaint relating to Securities and financial reporting shall be denied access to the Audit Committee.

Place : Jaipur

Date : 30.06.2009

Sd/-
Shyam Sunder Sharma
Chairman
Audit Committee

AUDITOR'S REPORT
N. KATARIA & ASSOCIATES
CHARTERED ACCOUNTANTS

To,
The Members,
Spectrum Foods Limited,
Jaipur

1. We have audited the attached balance sheet of M/s Spectrum Foods Ltd. as at 31st March 2009, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account ;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is dis-

qualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) in the case of balance sheet, of the state of affairs of the Company as at 31st March 2009;
 - (b) in the case of profit and loss account, of the profit/loss for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For N. Kataria & Associates
Chartered Accountants

Place: Jaipur
Dated: 30.06.2009

Sd/
(Nikhilesh Kataria, FCA)
Proprietor
M. No. 79048

N. KATARIA & ASSOCIATES
CHARTERED ACCOUNTANTS

Annexure to the Auditor's Report
(as referred to in paragraph 3 of the said report)

(As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956)

On the basis of the books and records examined by us in the normal course of audit on such test checks, as we considered necessary and to the best of our knowledge and belief, we state that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The management has physically verified these fixed assets at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) In our view, no substantial part of the fixed assets has been disposed off during the year.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification and even if there were any, the same was properly dealt with in the accounts.
- (iii) (a) The Company has not taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, except few advances which were on current account basis.
- (b) The Company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, except transactions on current account basis.
- (c) In our opinion, the rate of interest and other terms and conditions of loans/ advance given or taken by the Company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.
- (d) The Company is regular in repaying the principal amount of the loan/ advance.
- (e) There is no overdue amount of loans/ advances taken or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act.

- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- (v)
 - (a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Act, have been entered, as also explained to us by the management;
 - (b) According to the information and explanation given to us, we are also of the opinion that each of these transactions has been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as referred to in sections 58A and 58AA of the Companies Act, 1956. As such the relevant rules are not applicable to the Company, as explained by the management.
- (vii) We are of the opinion that the Company has an internal audit system commensurate with its size and nature of business.
- (viii) The Central Government has not prescribed for the maintenance of the cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the class of industry carried on by the Company, as explained to us by the management.
- (ix)
 - (a) The Company is regular in depositing statutory dues including provident fund, income-tax, sales-tax, wealth tax, custom duty, cess etc. with the appropriate authorities
 - (b) According to the information and explanations given to us, there were no undisputed amount outstanding in respect of provident fund, investor education and protection fund, income-tax, sales-tax, wealth tax, custom duty etc. for more than six months.
- (x) The accumulated losses of the Company did not exceed fifty per cent of its net worth and there are no cash losses in the current or previous financial year.
- (xi) As explained to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) In our opinion, adequate documents and records are maintained in cases where the Company has granted loans and advances on the basis of security, by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute like nidhi/mutual benefit fund/societies etc. are not applicable to the Company.
- (xiv) We are of the opinion that the Company has maintained proper records of the transactions in the shares, securities, debentures and other investments held by the Company and timely entries have been made therein. Such shares/ securities has been held by the Company in its own name.

- (xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, term loans were applied for the purpose for which the loans were obtained, as also explained to us by the management.
- (xvii) According to the information and explanations given to us and on the basis of overall examination of the financial statement, we are of the opinion that the funds raised on short-term basis have not been used for long term investment. Similarly, no short-term investment has been made out of long-term funds raised during the year.
- (xviii) According to the information and explanations given to us, during the year under consideration, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company has not issued any debenture during the year under consideration.
- (xx) According to the information and explanations given to us, during the year under consideration, the Company has not raised any money by way of public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under consideration.

Place: Jaipur
Dated: 30.6.2009

For **N. Kataria & Associates**
Chartered Accountants

Sd/-
(Nikhilesh Kataria, FCA)
Proprietor
M.No. 79048

BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	As at 31.3.2009 (in Rs.)	As at 31.3.2008 (in Rs.)	
Sources of Funds				
Shareholder's Fund				
Share Capital	1	22,757,000	22,757,000	
Add : Forfeited Shares		15,208,500	15,208,500	
				37,965,500
Loan Funds				
Secured Loans		-	-	-
Unsecured Loans & Advances	2	4,863,904	4,668,904	4,668,904
Total		<u>42,829,404</u>	<u>42,634,404</u>	
Application of Funds				
Fixed Assets				
Gross Block	3	1,218,328	1,178,289	
Less : Depreciation		-	-	
		1,218,328	1,178,289	1,178,289
Investment		15,250,000		50,000
Current Assets Loans & Advances				
(a) Inventories	4	4,931,945	16,323,400	
(b) Sundry Debtors		448,350	99,362	
(c) Cash & Bank Balances		1,233,331	5,975,275	
(d) Loans & Advances		16,340,214	25,766,506	
		<u>22,953,840</u>	<u>48,164,543</u>	
Less : Current Liabilities &	5	-	-	
Provisions :		15,539,304	24,938,635	
Net Current Assets		7,414,536	23,225,908	23,225,908
Profit & Loss Account		18,946,540	18,180,207	18,180,207
Total		<u>42,829,404</u>	<u>42,634,404</u>	
<i>Accounting policies & notes on accounts</i>	6			

For N. Kataria & Associates

Chartered Accountants

For and on behalf of the Board

Sd/-
(Nikhilesh Kataria FCA)
Proprietor
M. No. 79048

Sd/-
(Shyam Sunder Sharma)
Director

Sd/-
(Atul Kharbanda)
Director

Place: Jaipur

Date: 30.06.2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2009

Schedule	Year Ended 31.3.2009 (in Rs.)	Year Ended 31.3.2008 (in Rs.)
<u>INCOME</u>		
Sales:		
Shares	13,202,789	208,754,865
Masala	22,869	54,348
Salts	4,132,420	11,509,785
Closing Stock	7 4,2,305,625	2,266,610
	<u>24,595,648</u>	<u>238,909,008</u>
<u>EXPENDITURE</u>		
Opening Stock	16,323,400	7,527,111
Purchases (Shares)	1,746,673	219,495,397
Purchase (Salts)	5,940,000	12,855,800
Direct Expenses	8 739,090	544,937
Administrative Exp.	9 612,202	775,195
Financial Expenses	10 616	993,550
	<u>25,361,981</u>	<u>242,191,990</u>
Profit/ (loss) before tax depreciation	(766,333)	(3,282,981)
Depreciation	-	-
Profit/ (loss) after depreciation	(766,333)	(3,282,981)
Prior Period Adjustments	-	-
Provision for tax	-	-
Profit after tax	(766,333)	(3,282,981)
Profit/ (loss) brought forward	<u>(18,180,207)</u>	<u>(14,897,226)</u>
Profit/ (loss) carried forward	<u>(18,946,540)</u>	<u>(18,180,207)</u>
EPS (basic)	(0.34)	(1.44)

As per our report of even date attached

For N. Kataria & Associates
Chartered Accountants

For and on behalf of the Board

Sd./
Nikhilesh Kataria FCA
Proprietor

Sd/-
Shyam Sunder Sharma
(Director)

Sd/-
Atul Kharbanda
(Director)

Place: Jaipur
Date : 30.06.2009

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
(Annexed to and forming integral part of the balance sheet for the year ended 31st March, 2009)

	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Schedule 1: Share Capital		
Authorised :		
7000000 equity shares of Rs. 10/- each	70,000,000	70,000,000
	<u>70,000,000</u>	<u>70,000,000</u>
Issued Capital:		
6404500 equity shares of Rs. 10/- each	64,045,000	64,045,000
Subscribed & Paid Up Capital:		
6404500 fully paid equity shares of Rs. 10/- each	64,045,000	64,045,000
Less: forfeited shares (4128800 partly paid equity shares of Rs.10/- each forfeited on 23.03.99)	41,288,000	41,288,000
	<u>22,757,000</u>	<u>22,757,000</u>
Add: forfeited shares to the extent of paid-up	15,208,500	15,208,500
	<u>37,965,500</u>	<u>37,965,500</u>
Schedule 2 : Unsecured loan & Advances		
Nawa Hotels & Resorts (P) Ltd.	360,000	380,000
Tiger Salts Pvt. Ltd.	2,135,000	2,145,000
Nawa Salts Pvt. Ltd.	2,275,000	2,050,000
Bikash Kumar Lakhotia & Co.	93,904	93,904
	<u>4,863,904</u>	<u>4,668,904</u>
Schedule 4: Current Assets Loans and Advances		
A. Current Assets		
(a) Inventories (as taken valued & certified by the management)	4,931,945	16,323,400
(b) Sundry debtors (unsecured considered good)		
More than 6 Months	87,100	
Others	361,250	99,362
(c) Cash and bank balances :		
Cash In hand	329,858	126,914
Balance with banks (in current account)	409,322	717,986
FDR With HDFC	494,151	5,130,375
Total :	(A) <u>6,613,626</u>	<u>22,398,037</u>

B. Loans & Advances :

(Unsecured considered good)

Sundry Advances	15,950,000	25,436,054
Advances recoverable in cash or kind or for value to be received	171,116	177,682
Tax deducted at source (FY 08-09)	61,328	
Tax deducted at source (FY 07-08)	102,150	102,150
Tax deducted at source (FY 06-07)	45,895	45,895

C. Securities & deposits

Security With Bharti Hexacom	5,000	
NSC (Pledged with Sales Tax Deptt.)	4,725	4,725
Total : (B)	<u>16,340,214</u>	<u>25,766,506</u>
Total : (A+B)	<u>22,953,840</u>	<u>48,164,543</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Schedule 5: Current Liabilities & Provisions		
Sundry Creditors For Goods	13,575,445	22,897,128
Sundry Creditors - Others	1,895,949	1,908,098
Advances received from Customers	-	82,396
Audit Fee Payable	30,660	15,660
Vat	-	202
Staff Security Deposit	37,250	35,150
Total :	15,539,304	24,938,634
Schedule : 7 Indirect Income		
Interest	205,342	
Dividend	1,125	27,612
Interest On FDR	204,157	495,875
Misc Income	5,000	6,000
Rebate & Discount	1,890,000	1,737,124
Total:	2,305,625	2,266,611
Schedule 8 : Direct Expenses		
Share transfer expenses	12,292	-
Frieght	5,401	4,280
Security Transaction Tax	113,316	511,303
Profit and loss on share trading	608,081	-
Tranaction charges on Shares	-	29,354
TOTAL	739,090	544,937
Schedule 9 : Administrative and Other Expenses		
Advertisement & Publicity	3,358	1,820
Annual Custodial Fees	20,225	11,236
Annual Listing Fee	16,053	11,211
Canteen Expanses	-	1,115
Conveyance Expanses	1,611	4,789
Discount Allowed	610	187,312
Legal Expansese	6,350	15,595
Miscellaneous Expanses	961	890
Postage & Telegrame Exp.	86	11,999

	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Printing Expenses	4,000	-
Rent Rate & Taxes	7,498	-
Salary	408,224	506,806
Sales Promotion Expenses	112,811	-
Travelling Expenses	220	235
Water & Electricity Expenses	9,112	5,995
Auditors Remuneration	15,000	15,000
Balance Written Off	4,548	1,192
Processing Fees	1,034	-
Total :	612,202	775,195

Schedule 10 : FINANCIAL EXPANSES

Bank charges	616	262
Interest Paid	-	993,288
Total :	616	993,550

SPECTRUM FOODS LIMITED

SCHEDULE 6 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Annexed to the Balance Sheet for FY 2008-09)

A. ACCOUNTING POLICIES

1. General

The accounts are prepared on the historical cost convention and in accordance with the Companies Act, 1956. The accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles accepted in India.

2. Revenue Recognition

Expenses and income, considered payable and receivable respectively, are generally accounted for on accrual basis except claims, discounts, rebates, wastage, which are accounted for on cash basis as per last year practice. The sale and purchase of shares through same contract note (intra day) have been taken on net basis.

3. Inventories

Inventories are valued at cost or market value whichever is lower. In case of shares, the market values have been taken on the basis of last available quotation as reported by the management and in absence of the same the valuation is made at cost. If the market value of the shares are not substantially lower in compare to its cost then also the shares are taken at cost.

4. Investments

Investments, if any, are valued at cost.

5. Contingent Liabilities

Contingent liabilities are determined on the basis of available information as supplied by the management. As explained to us, there was no contingent liability at the end of the year.

6. Retirement Benefits

Liabilities towards retirement benefits are accounted for only when the same becomes due for payment.

7. Taxation- Deferred Taxation

Liabilities towards retirement benefits are accounted for only when the same becomes due for payment.

- a. Current tax is the provision made for income tax liability, if any, on the profits calculated in accordance with the provisions of the Income Tax Act 1961.
- b. Deferred tax is recognized subject to the consideration of prudence on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation, carry forward losses and expenditure, which are to be allowed later as per the provisions of the Income Tax Act 1961, unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

c. In any case, deferred tax assets and liabilities are measured using the tax rate and the Tax Law as applicable on the Balance Sheet date.

B. NOTES ON ACCOUNTS

1. Contingent liability - nil
2. Book debts, advances, creditors, deposits etc. have been taken at their book value awaiting respective confirmation and subject to reconciliation.
3. Loans and advances and debtors have been considered good in respect of which the Company holds no security other than the personal guarantee of the person concerned.
4. So far as the information received from the creditors/ suppliers and as explained by the management, there were no SSI undertakings to which the Company owes any amount together with interest outstanding for more than 30 days.

5. Auditor's Remuneration

Particulars	2008-09 Amount (in Rs.)	2007-08 Amount (in Rs.)
Audit fees	13,500	13,500
Tax Audit Fees	1,500	1,500
Service Tax	—	—
Total	15,000	15,000

6. Additional information pursuant to para 3, 4 of the para II of schedule VI of the companies act, 1956 is given below (to the extent applicable):

A Capacity

Particulars	2008-09 Qty. (in MT)	2007-08 Qty. (in MT)
Licensed capacity	-	-
Installed capacity	-	-

B Details of opening stock, turnover and closing stock (shares)

SHARES

Particulars	2008-09 Amount (in Rs.)	2007-08 Amount (in Rs.)
Opening stock	16154590	72,87,000
Purchase	1746673	21,94,95,397
Turnover	13202789	20,87,54,865
Closing Stock	3216145	1,61,54,590

MASALA

Particulars	2008-09	
	Qty. (in M.T.)	Amount (in Rs.)
Opening stock	16154590	72,87,000
Purchase	1746673	21,94,95,397
Turnover	13202789	20,87,54,865
Closing Stock	3216145	1,61,54,590

C	CIF Value of Import	Nil	Nil
D	Expenditure in Foreign Currency	Nil	Nil

7. There is no expenditure incurred on employees who were in receipt of remuneration in the aggregate of not less than Rs. 24,00,000/- per annum, if employed throughout the year or Rs.2,00,000/- per month if employed for a part of the year.
8. The Company is engaged in dealing of shares as well as trading in salt etc., which, as per AS-17 "Segment Reporting" issued by the Institute of Chartered accountants of India, are considered the reportable business segments of the Company. The sale, purchase etc. are separately shown in the p&l account for reporting the same. Most of the other expenses are non-allocable in nature.
9. Information pursuant to AS-18 related party disclosure is as under:

KEY MANAGEMENT PERSONNEL & RELATIVES:

1	Shri Shyam Sunder Sharma	Director
2	P.D. Samdhani	Director
3	Anuj Samdhani	Director
4	Atul Kharbandha	Director

RELATED PARTIES & ASSOCIATES CONCERNS - Nil

Particulars of Transactions during the years are as under:

Nature of Transactions	Amount (In Rs.)	
	Key Management Personnel & Relatives (Rs. Lacs)	Related Parties & Associates Concerns (Rs. lacs)
NIL	N.A.	64.03
Purchases		

10. Earnings per Share pursuant to AS 20 is as under :

Particulars	March 31, 2009	March 31, 2008
Net Profit/Loss after Tax	(766333.00)	(3282981.00)
No. of Share	22,75,700	22,75,700
EPS-Basic Rs. Per Share	10.00	10.00
EPS-Diluted	(0.34)	(1.44)

11. The Company has applied the AS-22 issued by the Institute of Chartered Accountants of India. Deferred tax assets on brought-forward unabsorbed depreciation is not created on account of uncertainty of future profitability in view of the management. Further there is no current tax on account of Losses B/F as per Income Tax act. However particulars pursuant to As-22 are as under :

Particulars	31.3.2009 Amount (In Rs.)
Deferred Tax Liabilities	
Nil	Nil
Deferred Tax Assets	
B/f Business Losses	8105876
B/f Capital Loss	-
Net Amount	8105876
Deferred Tax Liabilities/ (Assets) @ 30.99%	(2512010)

Note : While calculating the above deferred tax assets, capital loss carried forward under IT Act has also been considered in view of the fact that the company is dealing in shares and there may be capital gain in the future.

12. The company has been allotted shares of Rs.152.00 lacs from M/S Saboo Engitech Pvt Ltd. The same has been accounted for as and when information received and the payment has been adjusted through outstanding amount.
13. Previous year figures have been regrouped and rearranged wherever it is necessary.
14. Figures have been round off to nearest rupee, wherever required.

As per our report of even date attached

For N. Kataria & Associates

Chartered Accountants
M.No. 79048

Sd/-
Nikhilesh Kataria FCA
Proprietor

For and on behalf of the Board

Sd/-
Shyam Sunder Sharma
(Director)

Sd/-
Atul Kharbanda
(Director)

Date : 30.06.2009

Place: Jaipur

SPECTRUM FOODS LIMITED

**SPECTRUM FOODS LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Additional Information as required under Schedule VI to the Companies Act, 1956)**

1. REGISTRATION DETAILS

Registration No.	8016
State Code	17
Balance Sheet Date	31.3.2009

2. CAPITAL RAISED DURING THE YEAR

	<i>(Rs. in lacs)</i>
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	42829404
Total Assets	42829404

SOURCES OF FUNDS

Paid up Capital	37965500
Reserve & Surplus	-
Secured Loans	-
Unsecured Loans	4868904

APPLICATION OF FUNDS

Net Fixed Assets	1218328
Investments	50000
Net Current Assets	74146368
Misc. Expenditures	0
Accumulated Losses	18946540

4. PERFORMANCE OF COMPANY

Turnover (Including Other Income)	24595648
Total Expenditure	25361981
Profit/(Loss) before Tax	(766333)
Profit/(Loss) after Tax	(755333)
Earning per Share (Rs.)	(0.34)
Dividend Rate (%)	Nil

5. GENERIC NAME AND PRINCIPAL PRODUCT OF THE COMPANY

(as per monetary terms)
Item Code No. (ITC Code)
Product Description

For N. Kataria & Associates
Chartered Accountants

For and on behalf of the Board

Sd/-
Nikhilesh Kataria, FCA
Proprietor
M.No. 79048
Place: Jaipur
Date : 30.06.2009

Sd/-
Shyam Sunder Sharma
(Director)

Sd/-
Atul Kharbanda
(Director)

SPECTRUM FOODS LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	31.03.2009	31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	(766,333)	(3,282,981)
Adjustments for :	-	-
Depreciation and amortization	-	-
Operating Profit before Working Capital Changes	(766,333)	(3,282,981)
Adjustments for :	-	-
Decrease (Increase) in Trade & Other Receivables	(348,988)	13,006
Decrease (Increase) in Inventories	11,391,455	(8,796,289)
Decrease (Increase) in Loans & Advances	9,426,292	(3,673,114)
Increase (Decrease) in Current Liability	(9,399,331)	11,650,707
Cash Generated From Operations	<u>10,303,095</u>	<u>(4,088,671)</u>
Income Tax	-	-
NET CASH FROM OPERATING ACTIVITIES	10,303,095	(4,088,671)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of Fixed Assets	(40,039)	-
Interest Received	-	-
Sale of Investments	-	-
(Purchase) of Investments	(15,200,000)	-
Net Cash from Investing Activities	(15,240,039)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Share Capital	-	-
Proceeds/(Repayment) of Long Term Borrowings	195,000	-
Proceed/(Repayment) of short Term Borrowings	-	4,575,000
Proceed of State Capital Investment Subsidy	-	-
Interest paid	-	-
Net Cash used in Financing Activities	195,000	4,575,000
Net Increase (Decrease) in Cash and Cash Equivalents	(4,741,944)	486,329
Cash and Cash Equivalents at the Beginning of the year	5,975,275	5,488,946
Cash and Cash Equivalents at the end of the year	<u>1,233,331</u>	<u>5,975,275</u>

As per our report of even date attached

For N. Kataria & Associates

Chartered Accountants

M.No. 79048

Sd/-

Nikhilesh Kataria, FCA

Proprietor

Place: Jaipur

Date: 30.06.2009

For and on behalf of the Board

Sd/-

Shyam Sunder Sharma

(Director)

Sd/-

Atul Kharbanda

(Director)

REPORT OF AUDITORS ON CASH FLOW STATEMENT

To,
The Board of Director's
Spectrum Foods Ltd.,
Jaipur

We have examined the attached Cash Flow Statement of Spectrum Foods Ltd. for the year ended 31.3.2009. The statement has been prepared by the Company with the requirements of the Listing Agreements and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For N. Kataria & Associates
Chartered Accountants

Sd/-
Nikhilesh Kataria, FCA
Proprietor
M. No. 79048

Date: 30.06.2009

Place : Jaipur



SPECTRUM FOODS LIMITED

ANNUAL REPORT 2008-09

Registered office: Surya House, L- 5, B - II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan

Attendance Slip

Name and Address of the Share Holder:.....

No. of shares held:.....

Master Folio No.....DP ID.....& Client ID.....

I, hereby record my presence at the 15th Annual General Meeting of the Company held on Friday, September 11th, 2009 at 3.00 P.M. at Surya House,L-5,B-II Krishna Marg, C-Scheme, Jaipur, Rajasthan.

Name of the Member or Proxy*

*Strike out whichever is not applicable.

Please fill in attendance slip and hand it over at the entrance of the meeting hall. Joint share holders may obtain additional attendance slip on request.

Tear here -----

SPECTRUM FOODS LIMITED

Registered office : Surya House, L- 5, B - II Krishna Marg, C-Scheme,Jaipur-302001, Rajasthan

PROXY FORM

Master Folio No.	DP ID	Client ID

I/We.....

ofbeing a member/members

of the Spectrum Foods Limited, hereby appoint Shri.....

of.....or failing him

ofas my / our proxy to vote for me / us and on my / our behalf at the 15th Annual General Meeting to be held on Friday, the 11th day of September, 2009 at 3.00 P.M. at Surya House, L- 5, B - II Krishna Marg, C-Scheme, Jaipur, Rajasthan or at any adjournment thereof.

Signed this.....day of2009

Signature of member

Affix one Rupee Revenue Stamp
--

Note: The Proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.



BOOK - POST
PRINTED MATTER

If Undelivered, Please return to :
SPECTRUM FOODS LIMITED
L-5, B-II, Krishna Marg,
C-Scheme, JAIPUR-302001