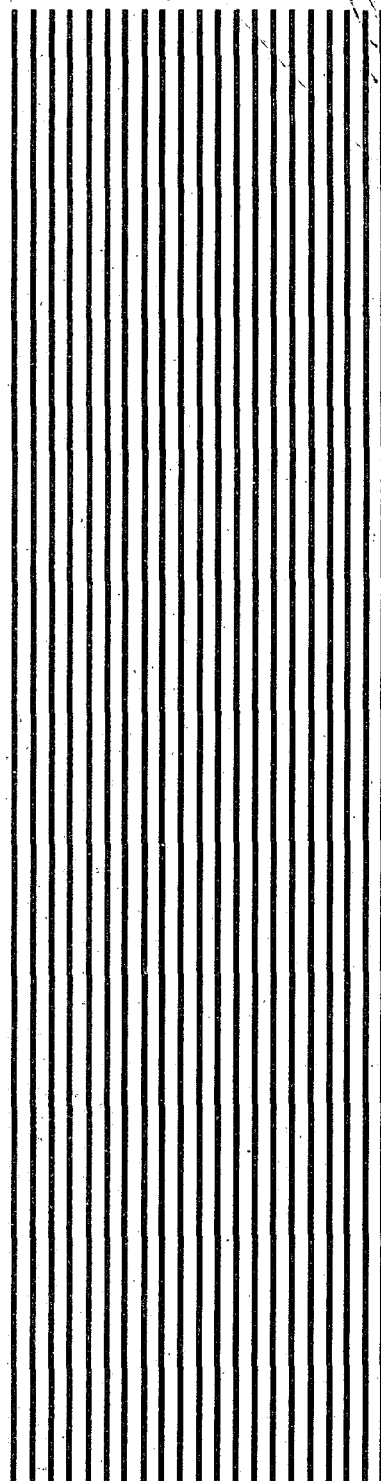


**SEVENTEENTH**

Annual Report 2008-2009



**SPECTRA**  
INDUSTRIES LIMITED





**BOARD OF DIRECTORS**

Mr. Bharat Bhushan Gupta	Chairman
Mr. Vinod Kumar Gupta	Managing Director
Mr. Prabhjot Singh Chandok	
Mr. Achal Bangani	
Mr. A. M. Arondekar	
Mr. Sanjeev Chirania	

**AUDITORS**

**D.K.Roongta & Co.**  
(Chartered Accountants)  
286, Princess Street  
Bhatia Mansion, 2nd Floor  
Mumbai 400 002

**COMPANY SECRETARY**

**Miss. Amita Mahaveer Vageriya**

**BANKERS**

**BANK OF INDIA**

Mumbai Corporate Banking Branch  
70/80 M.G.Road  
Mumbai - 400 023

**REGISTERED OFFICE**

Plot No.9, Spectra Compound, Ramchandra Lane Extn.,  
Kanchpada II, Malad (West), Mumbai - 400 064

**WORKS**

C-1, M.I.D.C.  
Murbad - 421 401  
Dist. Thane (Maharashtra)

**REGISTRARS & SHARE TRANSFER AGENTS**

**Sharex Dynamic (India) Pvt. Ltd.**

Unit No 1, Luthra Ind. Premises,  
Andheri Kurla Road, Safed Pool, Andheri (East),  
Mumbai - 400 072.

Tel. : 28515644, 28515606

Fax : 28512885



## **NOTICE**

NOTICE is hereby given that the **Seventeenth Annual General Meeting** of the Members of **SPECTRA INDUSTRIES LIMITED** will be held

**at : Green Village Resorts Limited, Near Malavani Church, Opposite Akashwani Kendra, Marve Road, Malad (West), Mumbai 400 095.**

**on : Saturday, 19<sup>th</sup> September 2009 at 11.00 a.m.**

**To transact the following business**

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Awinash M Arondekar who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Prabhjot Singh Chandok who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

### **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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 11<sup>th</sup> September 2009 to Saturday, 19<sup>th</sup> September 2009 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

#### **Registered Office :**

Plot No.9, Spectra Compound  
Ramchandra Lane Extn.Kanchpada II  
Malad (West) Mumbai - 400 064

By Order of the Board

**Amita Vageriya**  
**Company Secretary.**

Date : 30<sup>th</sup> June, 2009



## **DIRECTORS' REPORT**

### **TO THE MEMBERS OF SPECTRA INDUSTRIES LIMITED**

Your Directors are pleased to present before you the Seventeenth Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2009.

### **FINANCIAL RESULTS -**

(Rs. in lacs)

Particulars	Year Ended March 31, 2009	Year Ended March 31, 2008
Sales & Operational Income	1848.78	2158.72
Profit before Interest, Depreciation and Tax	(18.94)	(5.64)
Less : Interest	65.07	60.21
Depreciation	38.87	40.55
Tax		
Fringe Benefit		
Tax	0.55	0.60
Add : Deferred Tax	104.49	101.36
	8.16	18.77
Net Profit/(Loss) for the year	(115.27)	(88.23)
Add : Balance brought forward from previous year	291.98	380.21
Amount available for appropriation	176.71	291.98
Add : Depreciation for Earlier Year	--	--
Less : Income Tax for (Earlier year)	4.23	--
Balance carried forward	172.48	291.98

### **DIVIDEND**

The directors do not recommend dividend for the Financial year ended 31<sup>st</sup> March, 2009.

## **INSURANCE**

All the Company's assets are adequately insured

## **LISTING**

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited. The Company has paid the Annual Listing Fees to the Exchange for the year 2009-2010.

## **DIRECTORS**

Shri Awinash M Arondekar and Shri Prabhjot Singh Chandok retire by rotation and being eligible offer themselves for reappointment.

Brief resume of the above Directors, their expertise in specific functional areas and name of companies in which they hold directorship and membership/chairmanship of committees, as stipulated under Clause 49 of the Listing Agreement are given in the section on Corporate Governance in the Annual Report.

## **CORPORATE GOVERNANCE**

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 the Listing Agreement with the Stock Exchanges are attached to this Report and forms part of this Report.



## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm the following :-

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2009 on a going concern basis.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Steps are taken to conserve energy at all levels. Lights and power were switched off whenever not required.

2. There was no technology import during the year under review

3. Earnings in foreign currency Rs. Nil

4. Expenditure in foreign currency  
( Import of Materials ) Rs. Nil

## PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## AUDITORS

M/s. D. K. Roongta & Co., Chartered Accountants, the Auditors of the Company would retire at the forthcoming Annual General Meeting. They have under Section 224(1B) of the Companies Act, 1956 furnished certificate of their eligibility for reappointment. Shareholders are requested to appoint Auditors and fix their remuneration.

## INDUSTRIAL RELATIONS

The industrial relations at Company's plant at Murbad remained peaceful during the year.

## ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation for the cooperation and support extended by shareholders, customers, bankers, vendors and employees at all levels.

For and on behalf of the Board

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

**Bharat Bhushan Gupta**  
Chairman



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is engaged in the production of sheet metal components for automobile industries. The products such as fuel tanks are regularly supplied to Fiat India for their Palio model applications. The Company has also been supplying brake shoes to Godrej & Boyce India Private Limited.

The Company is also engaged in trading activities of steel items like C.R. / H. R. sheets. The major portion of turnover during the year has been accounted for by trading activities. In view of the reduced take-off of Automobile sheet metal parts by OE manufacturers, the company as business strategy will continue to focus on trading activities, for the time being.

**OPPORTUNITIES & THREATS**

The Company is in process of identifying new opportunities in trading activities.

**OUTLOOK**

The Company has been in the business of supplying of Iron and Steel.

**RISKS & CONCERNS**

The present activities of the Company do not envisage any risks and concerns.

The Company's assets are adequately insured.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company has adequate internal control systems and internal audit commensurate with Company's business. These are reviewed by the Audit Committee and the suggestions made by them are implemented.

**FINANCIAL PERFORMANCE**

The Company has a turnover of Rs. 1848.78 lacs as compared to Rs. 2158.72 lacs during the previous year 2007-08. However the Net Loss of the Company after tax amounted to Rs. 115.27 lacs during the financial year 2008-09 compared to Rs. 88.23 Lacs during the previous year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The affairs of the Company are being managed under the control and supervision of the Managing Director. The Managing Director is assisted by experienced and qualified production and marketing personnel.

Industrial relations were cordial throughout the year.

The total number of employees on the rolls of the Company as of 31<sup>st</sup> March, 2009 was 7.



**REPORT ON CORPORATE GOVERNANCE**

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy of Corporate Governance is aimed at ensuring transparency in its dealings, disclosing matters of interest to the shareholders, complying with all laws and regulations as applicable to the Company and promoting the interests of all stakeholders.

**I. BOARD OF DIRECTORS**

**(A.) Composition Of Board**

The present strength of Board of Directors of your Company is Six (6) Directors.

The composition, status of Directors, attendance at Board Meetings and at the last Annual General Meeting, directorships in other Companies and other committees in which they are chairman/member are as follows -

Name of Director	Category of Directorship	No. of Board Meetings attended		Attendance at last AGM	Directorship in other companies including private companies	No. of Committees in which Chairman/Member (other than Spectra Industries Limited)	
		Held	Attended			Member	Chairman
Mr. Bharat Bhushan Gupta	Chairman Non Executive	6	6	Yes	12	-	-
Mr. Vinod Kumar Gupta	Managing Director	6	6	Yes	12	-	-
Mr. Prabhjot Singh Chandok	Non Executive & Independent Director	6	6	Yes	2	-	1
Mr. A. M. Arondekar	Non Executive & Independent Director	6	6	Yes	2	1	1
Mr. Achal Bangani	Non Executive & Independent Director	6	6	Yes	1	-	-
Mr. Sanjeev Chirania	Non Executive & Independent Director	6	6	Yes	1	-	-

**(B.) Non-Executive Directors Compensation**

None of non-executive directors is paid any remuneration other than sitting fee of Rs. 1,500 to each director for attending each Board and each Committee Meeting.

Except for Shri Bharat Bhushan Gupta none of the non-executive directors holds any shares in the company. Shri Bharat Bhushan Gupta holds 6,02,399 shares.

**(C.) Independent Directors**

The independent directors are not related to promoters or management at the board level. They review at every board meeting legal compliance reports prepared by the company.

**(D.) Board Procedure**

Six (6) Board Meetings were held during the year 2008-2009. The dates on which the said meetings were held are 09/05/2008, 30/06/2008, 30/07/2008, 31/10/2008, 27/12/2008 and 30/01/2009.

The Company has a procedure to provide the information to the board as required under Annexure 1A to Clause 49 of the Listing Agreement which is followed. The Board periodically reviews the compliance of all laws applicable to the Company.

All the directors have made necessary disclosures about the committee positions they occupy in other companies.

The Company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management personnel etc. other than transactions if any, entered into in the normal course of company's business.



#### Details of Directors to be appointed/re appointed

The particulars of Directors who are proposed to be appointed / re-appointed at this Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement:

Shri A. M. Arondekar who holds B.A., LL. B., and M.F.M. degrees retired as General Manager from Bank of India after serving the Bank for a period of more than 38 years. He is a consultant since the last few years and is an advisor in corporate and banking matters. He is the Chairman of the Remuneration committee and a member of the Audit Committee of the Company. The directorships he holds in various companies are:

1. Pratibha Industries Limited
2. Core Projects and Technologies Limited

Shri Prabhjot Singh Chandok, a Commerce graduate, is a marketing professional closely associated with Syndicate Exhaust Systems Private Limited and Bombay Commercial Syndicate, the manufacturers of exhaust systems and for viper arms and viper plates for all four wheelers plying in the country. He is in the business for more than 25 years. The directorships he holds in various companies are

1. Spectra Motors Limited
2. Syndicate Exhaust Systems Pvt. Ltd.

#### (E). Code of Conduct

The Board has laid down a code of conduct for Board members and senior management personnel of the company. All the board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Managing Director and CEO is given at the end of this report.

The Company has also adopted a code of conduct for prevention of Insider Trading. All the Directors, Senior Management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under report, there has been due compliance with the said code of conduct for prevention of Insider Trading.

#### II. AUDIT COMMITTEE

The Audit Committee comprises of four Independent Non- executive Directors

1. Mr. Achal Bangani (Chairman)
2. Mr. Prabhjot Singh Chandok (Member)
3. Mr. A. M. Arondekar (Member)
4. Mr. Sanjeev Chirania (Member)

The Chairman of the Audit Committee is a Chartered Accountant having good experience in Corporate finance and other related matters. Other directors have accounting and financial management experience.

The Managing Director attends Audit Committee Meetings as permanent invitee. Besides the statutory auditors and finance personnel are invitees to the meetings of the Audit Committee.

The Audit Committee reviews all the issues that are required to be mandatorily reviewed by it under Corporate Governance.

The powers and role of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956, such as oversight of the company's financial reporting process; recommending the appointment / reappointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and other matters as covered under role of audit committee in Clause 49. The audit committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the company/ company's subsidiary as well as seek outside legal and professional advice.

Five (5) meetings of the Committee were held during the year 2008-2009. The dates on which the meetings were held are 09/05/2008, 30/06/2008, 30/07/2008, 31/10/2008 and 30/01/2009.

The attendance of each member of the Audit Committee in the meeting is given below :-

Sr. No.	Name of Director	No. of Meetings Attended
1.	Mr. Achal Bangani	5
2.	Mr. Prabhjot Singh Chandok	5
3.	Mr. A. M. Arondekar	5
4.	Mr. Sanjeev Chirania	5





### III. SUBSIDIARY COMPANY

The Company has no subsidiary company.

### IV. REMUNERATION COMMITTEE

The Remuneration Committee comprised solely of Independent & Non-Executive Directors Namely Mr. Achal Bangani, Mr. Prabhjot Singh Chandok and Mr. A.M. Arondekar. Mr. Achal Bangani is the Chairman of the committee.

The remuneration committee deals with the matter specified in clause 49 of the listing agreement and also reviews the overall compensation structure and policies of the company. One meeting of the committee was held during the year on 27/12/2008 in which all the members of the Committee were present.

The details of remuneration paid to the Managing Director and other Directors of the Company during the year ended 31<sup>st</sup> March 2009 are given below:

(Amount in Rs.)

Name of Director	Salary	Perquisites	Commission	Others	Sitting Fees	Total
Mr. VinodKumar Gupta Managing Director	6,00,000/-	35,481/-	--	--	--	6,35,481/-
Mr.Bharat Bhushan Gupta	--	--	--	--	9,000/-	9,000/-
Mr.Prabhjot Singh Chandok	--	--	--	--	16,500/-	16,500/-
Mr. A. M. Arondekar	--	--	--	--	16,500/-	16,500/-
Mr. Achal Bangani	--	--	--	--	16,500/-	16,500/-
Mr. Sanjeev Chirania	--	--	--	--	16,500/-	16,500/-

Non Executive Directors are not entitled to any remuneration other than the sitting fees.

One meeting of Remuneration Committee was held during the year on 27/12/2008 to reappoint Mr. Vinod Kumar Gupta as Managing Director for a term of 5 years w.e.f. 01/01/2009.

The Company does not have a scheme for grant of stock options.

### V. SHARE HOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee comprised solely of Independent & Non-Executive Directors, viz Mr. Bharat Bhushan Gupta, Mr. Vinod Kumar Gupta and Mr. Prabhjot Singh Chandok. Mr. Bharat Bhushan Gupta is the Chairman of the Committee.

Five Meetings of the committee were held during the year 2008-2009. The dates on which the meetings were held are as follows:

09/05/2008, 30/06/2008, 30/07/2008, 31/10/2008 & 30/01/2009.

Composition, category and attendance of Members is as follows :

Name of Director	Category	No. of Meetings Attended
Mr. Bharat Bhushan Gupta	Chairman	5
Mr. Vinod Kumar Gupta	Member	5
Mr. Prabhjot Singh Chandok	Member	5



The Committee looks into redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. Shri Shiv Prakash Roongta is the Compliance Officer of the Company.

The Shareholders / Investors Grievance Committee has delegated the power of approving transfer / transmission of shares to share transfer committee.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, were One. Outstanding complaints as on 31<sup>st</sup> March, 2009 were NIL. No requests for transfers were pending for approval as on 31<sup>st</sup> March, 2009.

## **VI. GENERAL BODY MEETING**

Location and time of last three Annual General Meetings :-

Year	Venue	Day, Date	Time	Special Resolution, If Any
2005-2006	Green Village Resorts Limited, Near Malvani Church, Opp. Akashwani Kendra Marve Road, Malad (W), Mumbai - 400 095	Tuesday 05.09.2006	11.00 a.m.	Nil
2006-2007	Green Village Resorts Limited, Near Malvani Church, Opp. Akashwani Kendra Marve Road, Malad (W), Mumbai - 400 095	Friday 14.09.2007	11.00 a.m.	Nil
2007-2008	Green Village Resorts Limited, Near Malvani Church, Opp. Akashwani Kendra Marve Road, Malad (W), Mumbai - 400 095	Friday 12.09.2008	10.00 a.m.	Nil

No postal ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

## **VII. DISCLOSURES**

### **(A). Related Party Transactions**

The particulars of transactions between the Company and its related parties as per Accounting Standards is set out in notes to accounts in the Annual Report and were placed before the Audit Committee periodically. There were no transactions of material nature with Directors or the Management or their relatives etc. during the year that may have potential conflict with the interests of the Company at large.

### **(B). Risk Management**

The Board of Directors have been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.

### **(C). Proceeds from Initial Public Offerings( IPOs)**

The Company has not made any IPO during the year.

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.

### **(D). Management**

A separate report on Management Discussion & Analysis which forms part of the report is annexed. The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.

## **VIII. WHISTLE BLOWER POLICY**

The company has not framed any whistle blower policy. However, no personnel has been denied access to the audit committee.



**IX. MEANS OF COMMUNICATION**

The quarterly, half yearly and yearly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement. The quarterly and yearly results are published in newspapers like The Free Press Journal in English and Navshakti in Marathi. These are not sent individually to the shareholders. The Company does not have its own web site. The financial results and shareholding pattern for each quarter and annual accounts of the Company are put on the website of Electronic Data Information Filing and Retrieval (EDIFAR) maintained by National Informatics Centre and can be retrieved from the website [www.sebidifar.nic.in](http://www.sebidifar.nic.in)

There were no presentations made to the Institutional Investors or analysts during the year.

**X. GENERAL SHAREHOLDERS' INFORMATION**

- |   |  |
|---|--|
| 1. Annual General Meeting<br>Day, Date, Time and Venue    | Saturday, 19 <sup>th</sup> September 2009 at 11.00 a.m.<br>at Green Village Resorts Limited,<br>Near Malavani Church,<br>Opp. Akashwani Kendra, Marve Road,<br>Malad (W), Mumbai - 400 095       |
| 2. Financial Year/Calendar<br>(Provisional)               | April to March   |
| - Results for first quarter<br>ending June 30, 2009       | Last week of July 2009   |
| - Results for second quarter<br>ending September 30, 2009 | Last week of October 2009  |
| - Results for third quarter<br>ending December 31, 2009   | Last week of January 2010  |
| - Audited Results for the year<br>ending March 31, 2010   | Last week of June 2010   |
| 3. Dates of Book Closure                                  | Friday, 11 <sup>th</sup> September 2009 to<br>Saturday, 19 <sup>th</sup> September 2009 (both days inclusive)  |
| 4. Registered Office                                      | Plot No. 9, Spectra Compound,<br>Ramchandra Lane Extn., Kanchpada II,<br>Malad (W), Mumbai 400 064.  |
| 5. Compliance Officer                                     | Shri Prakash Roongta<br>Tel No : 022- 28893933, 68,77<br>Fax No: 022- 28891342   |
| 6. Registrars & Share Transfer Agents                     | Sharex Dynamic (India) Pvt. Ltd.<br>Unit 1, Luthra Ind. Premises<br>Andheri Kurla Road<br>Safed Pool, Andheri (East)<br>Mumbai - 400 072<br>Tel No : 022-28515606, 28515644<br>Fax No : 28512885 |
| 7. Plant location   | C-1, MIDC, Murbad 421 401  |
| 8. Listing on Stock Exchanges<br>and Stock Code           | Mumbai 513687<br>Annual Listing Fees for financial year<br>2009-2010 has been paid to Bombay<br>Stock Exchange, Limited  |
| 9. ISIN Number in NSDL and CDSL                           | INE848B01012   |



**10. Market Price Data**

Table below gives the monthly highs and lows of the Company's shares on the Mumbai Stock Exchange during 2008- 2009.

PERIOD	HIGH (Rs.)	LOW (Rs.)	BSE SENSEX Corresponding to Share Price	
			HIGH	LOW
April 2008	12.10	8.70	17,480.74	15,297.96
May 2008	13.40	8.36	17,735.70	16,196.02
June 2008	12.40	8.99	16,632.72	13,405.54
July 2008	8.55	6.68	15,130.09	12,514.02
August 2008	8.79	7.21	15,579.78	14,002.43
September 2008	8.84	6.65	15,107.01	12,153.55
October 2008	7.84	5.25	13,203.86	7,697.39
November 2008	5.25	4.65	10,945.41	8,316.39
December 2008	5.44	4.80	10,188.54	8,467.43
January 2009	6.66	4.83	10,469.72	8,631.60
February 2009	8.35	6.85	9724.87	8,619.22
March 2009	8.16	7.78	10,127.09	8,047.17

**11. Share Transfer System**

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of thirty days from the date of receipt, if the documents are otherwise in order.

The Share Transfer Committee meets as frequently as necessary in a month to approve transfers and related matters as may be required.

**12. Distribution of shareholding As on 31<sup>st</sup> March 2009:**

Distribution of Shares	No. of Shares Held	Percentage to Total Share Capital
Promoters, Directors and Their Relatives	36,08,540	50.979
Mutual Funds	6,700	0.095
Corporate Bodies	4,19,807	5.931
NRI / OCB / FII	2,93,182	4.142
General Public	27,35,271	38.641
Others - Clearing Members	15,000	0.212
<b>TOTAL</b>	<b>70,78,500</b>	<b>100.00</b>

**13. Dematerialization of shares**

As on March 31, 2009 77.76% of the paid up share capital has been dematerialized. The shares of the Company are infrequently traded.

Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity : Nil

**XI. CEO/CFO CERTIFICATION**

A certificate from the Managing Director of the Company in terms of clause 49 (V) of the Listing Agreement was placed before the Board meeting held on 30<sup>th</sup> June, 2009 to approve the audited annual accounts for the year ended 31<sup>st</sup> March, 2009.



**DECLARATION**

As provided under Clause 49 of the listing agreement with the Stock Exchange the Board members and the senior management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and senior management for year ended 31<sup>st</sup> March, 2009.

For **SPECTRA INDUSTRIES LIMITED**

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

**Vinod Kumar Gupta**  
Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Spectra Industries Limited

We have reviewed the implementation of Corporate Governance procedures by Spectra Industries Limited during the year ended 31<sup>st</sup> March 2009, with the relevant records and documents maintained by the Company and furnished to us for our review and the report of Corporate Governance as approved by the Board of Directors.

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 the 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 explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreements.

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

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

For **D. K. ROONGTA & COMPANY**  
Chartered Accountants

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

**DINESH K. ROONGTA**  
(Proprietor)



**AUDITORS' REPORT**

To  
The Members of  
**SPECTRA INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of SPECTRA INDUSTRIES LIMITED as at 31st March 2009, and also the Profit & Loss Account and 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.

1. 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 the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
  - (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, to the extent applicable;
  - (v) On the basis of the written representations received from the directors, as on 31<sup>st</sup> March, 2009, and taken on record by the board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> 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;
2. 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, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
  - (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;
3. Further to our comments in the Annexure referred to in Paragraph 2 above, we report that:
  - (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 the Profit and Loss Account, of the loss for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date;
- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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;

For **D.K.ROONGTA & COMPANY**  
Chartered Accountants

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

**DINESH K ROONGTA**  
(Proprietor)



**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets :

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information;
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification;
  - c. The Company has not disposed off substantial part of Fixed Assets during the year and as per information and explanation given to us the going concern status of the company is not affected;
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
  - (b) In our opinion and according to the information and explanations given to us, there were no transactions exceeding Rs. Five Lakhs during the year;
6. The Company has not accepted any deposits from the public.
7. The Company has an adequate internal audit system, which was conducted by an independent firm of Chartered Accountants, which in our opinion is commensurate with the size and nature of its business.

2. In respect of its inventories:

- a. As explained to us, inventories have been physically verified by the management at regular intervals during the year;
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories 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 has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared with the book records;
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the same.
9. According to the records of the Company, undisputed
- (a) statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date of becoming payable;
  - (b) The dues of income tax and Central Excise have not been deposited on account of any dispute, the amounts involved and the forum where the dispute is pending are detailed in the statement are as under;

Name of the Statutory Dues	Forum where dispute is pending	Amount
Central Excise Duty	Additional Commissioner Central Excise	22,88,343
Income Tax	Rectification under section 154	32,532

3. The Company has taken loans, secured or unsecured, during the year from or to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956;

In our opinion and according to the information and explanations given to us, the rate of interest, where applicable and the other terms and conditions, are not prima facie prejudicial to the interest of the company;

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. In respect of transactions covered Under Section 301 of the Companies Act, 1956 :

10. The Company does not have any accumulated losses and has incurred cash loss during the financial year. However it had not incurred cash loss in the financial year immediately preceding such financial year.
11. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to bank or financial institution and debenture holders.
12. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. The Company is not a chit / nidhi / mutual benefit funds/ society.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the Company has held the investments in its own name.
15. On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. During the year the Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **D.K.ROONGTA & COMPANY**  
Chartered Accountants

Place : Mumbai  
Date: 30<sup>th</sup> June, 2009

**DINESH K.ROONGTA**  
(Proprietor)





**SPECTRA INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2009**

		<b>(Amount In Rs.)</b>	
		<b>As At</b>	<b>As At</b>
	<b>Schedule</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
<b>I</b>	<b><u>SOURCES OF FUNDS</u></b>		
1)	Shareholders Fund		
a)	Share Capital	1	70,785,000
b)	Reserves & Surplus	2	37,247,689
2)	Loan Fund	3	
a)	Secured Loan		47,013,624
3)	Deferred Tax Liability		10,277,067
	<b>TOTAL :</b>	<b>165,323,380</b>	<b>214,278,040</b>
<b>II</b>	<b><u>APPLICATION OF FUNDS</u></b>		
1)	Fixed Assets		
	Gross Block	4	86,903,064
	Less : Depreciation		42,864,928
			44,038,136
2)	Investments	5	9,832,970
3)	(A) Current Assets & Loans & Advances		
	(i) Current Assets	6	
	a) Inventories		39,627,046
	b) Sundry Debtors		106,181,330
	c) Cash & Bank Balances		32,584
	d) Other Current Assets		499,500
	(ii) Loans & Advances		40,285,518
	<b>Total A</b>		186,625,978
	(B) Current Liabilities & Provisions	7	
	(i) Current Liabilities		74,463,342
	(ii) Provisions		710,362
	<b>Total B</b>		75,173,704
	<b>Net Current Assets (A)-(B)</b>		111,452,274
	<b>TOTAL :</b>	<b>165,323,380</b>	<b>214,278,040</b>
Notes To Accounts		14	

Notes To Accounts

Schedule 1 to 14 form an integral part of accounts.

In terms of our attached report of even date.  
For **D.K. ROONGTA & COMPANY**  
Chartered Accountants

**DINESH K. ROONGTA**  
(Proprietor)

Place : Mumbai

Date: 30<sup>th</sup> June, 2009

For and on behalf of the Board

**Bharat Bhushan Gupta** - Chairman  
**Vinod Kumar Gupta** - Managing Director  
**Prabhjot Singh Chandok** - Director  
**Achal Bangani** - Director  
**A. M. Arondekar** - Director  
**Sanjeev Chirania** - Director

**Amita Vageriya**  
Company Secretary



**SPECTRA INDUSTRIES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

		<b>(Amount in Rs.)</b>	
	<u>Schedule</u>	<u>As At 31.03.2009</u>	<u>As At 31.03.2008</u>
<b>INCOME</b>			
Sales / Operational Income	8	<b>184,878,293</b>	215,872,198
Other Income	9	<b>2,848,668</b>	2,192,434
Increase / (Decrease) in Stock		<b>(274,627)</b>	516,865
Total :		<b>187,452,334</b>	218,581,497
<b>EXPENDITURE</b>			
Material & Manufacturing Expenses	10	<b>183,589,775</b>	211,866,215
Personnel Expenses	11	<b>1,943,333</b>	2,165,253
Finance Charges	12	<b>6,506,942</b>	6,021,279
Other Expenses	13	<b>3,813,425</b>	5,113,962
Depreciation		<b>3,887,197</b>	4,054,842
Total :		<b>199,740,672</b>	229,221,551
Profit / (Loss) Before Taxation		<b>(12,288,338)</b>	(10,640,054)
<b>Less :</b> Provision For Taxation			
Fringe Benefit Tax		<b>(55,000)</b>	(60,000)
<b>Add :</b> Deferred Tax		<b>815,646</b>	1,877,216
Profit / (Loss) After Tax		<b>(11,527,692)</b>	(8,822,838)
<b>Add :</b> Income Tax Earlier Year		<b>422,740</b>	-
		<b>(11,950,432)</b>	(8,822,838)
<b>Add :</b> Balance Brought from earlier year		<b>29,198,121</b>	38,020,959
Total :		<b>17,247,689</b>	29,198,121
<b>APPROPRIATION</b>			
Balance carried to Balance Sheet		<b>17,247,689</b>	29,198,121
Total :		<b>17,247,689</b>	29,198,121
Basic and diluted Earnings Per Share (Rupees)		<b>(1.69)</b>	(1.25)

Notes To Accounts

14

Schedule 1 to 14 form an integral part of accounts.

In terms of our attached report of even date.  
For **D.K. ROONGTA & COMPANY**  
Chartered Accountants

**DINESH K. ROONGTA**  
(Proprietor)

Place : Mumbai

Date: 30<sup>th</sup> June, 2009

For and on behalf of the Board

**Bharat Bhushan Gupta** - Chairman  
**Vinod Kumar Gupta** - Managing Director  
**Prabhjot Singh Chandok** - Director  
**Achal Bangani** - Director  
**A. M. Arondekar** - Director  
**Sanjeev Chirania** - Director

**Amita Vageriya**  
Company Secretary



**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009**

	<b>As At 31.03.2009</b>	<b>(Amount In Rs.) As At 31.03.2008</b>
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**SCHEDULE 1 - SHARE CAPITAL**

Authorised 8000000 Equity Shares of Rs. 10/- each.	<b>80,000,000</b>	80,000,000
Issued, Subscribed & Paid up 7078500 Equity Shares of Rs. 10/- each. (Previous year 7078500 Equity Shares of Rs. 10/- each.)	<b>70,785,000</b>	70,785,000

**SCHEDULE 2 - RESERVES & SURPLUS**

General Reserve	<b>17,000,000</b>	17,000,000
Capital Subsidy A/c	<b>3,000,000</b>	3,000,000
Profit & Loss A/c (As per Annexed P&L A/c)	<b>17,247,689</b>	29,198,121

<b>37,247,689</b>	<b>49,198,121</b>
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**SCHEDULE 3 - LOAN FUNDS :**

**(A) Secured Loans**

Cash Credit A/c with Bank of India (Secured against Hypothecation of Stock of Raw Material, Work in Progress & Finished Goods & Sundry Debtors)	<b>10,973,061</b>	47,161,643
Deferred Sales Tax Loan (SICOM) (As per Scheme 1988)	<b>36,040,563</b>	36,040,563

<b>47,013,624</b>	<b>83,202,206</b>
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**SCHEDULE 4 - FIXED ASSETS**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2008	Addition during the year	Deductions during the year	Cost as on 31.03.2009	Upto 01.04.2008	Deductions during the year	For the Year	Total as on 31.03.2009	As on 31.03.2009	As on 31.03.2008
1	Land & Building	32,833,755			32,833,755	14,433,118		1,096,647	15,529,765	17,303,990	18,400,637
2	Plant & Machinery	36,858,879			36,858,879	14,510,248		1,750,798	16,261,046	20,597,833	22,348,631
3	Electric Installations	7,135,431			7,135,431	4,000,752		338,933	4,339,685	2,795,746	3,134,679
4	Furniture & Fixtures	645,708			645,708	439,577		40,874	480,451	165,257	206,131
5	Vehicles	1,426,854			1,426,854	1,421,990		4,864	1,426,854	-	4,864
6	Truck	837,896			837,896	486,358		135,823	622,181	215,715	351,538
7	Office Equipments	1,471,891			1,471,891	598,067		69,915	667,982	803,909	873,824
8	Computers	837,706			837,706	808,052		6,096	814,148	23,558	29,654
9	Tools & Dies	3,919,068			3,919,068	2,279,569		443,247	2,722,816	1,196,252	1,639,499
10	Fiat at Dombivli	861,126	74,750		935,876	-		-	-	935,876	861,126
		<b>86,828,314</b>	<b>74,750</b>	-	<b>86,903,064</b>	<b>38,977,731</b>	-	<b>3,887,197</b>	<b>42,864,928</b>	<b>44,038,136</b>	<b>47,850,583</b>
	Previous Year	<b>85,945,400</b>	<b>882,914</b>	-	<b>86,828,314</b>	<b>34,922,889</b>	-	<b>4,054,842</b>	<b>38,977,731</b>	<b>47,850,583</b>	<b>51,022,511</b>

# Depreciation has been charged as per Companies Act, 1956 on Straight Line Method for Proportionate Working Period



**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009**

	As At 31.03.2009	(Amount In Rs.) As At 31.03.2008
<b><u>SCHEDULE 5 - INVESTMENTS (Long Term) at Cost</u></b>		
<b><u>QUOTED (Trade Investments)</u></b>		
1985117(1985117) Equity Shares of Pal Credit & Capital Ltd. of Rs. 10/- each fully paid up. (Market Value of Quoted Shares Rs.4049639/-) (Market Value of Quoted Shares P.Y. Rs.12188618/-)	9,332,629	9,332,629
<b><u>UNQUOTED</u></b>		
52775 Equity Shares of ApnaLoan.Com India P L. of Re.1/- each fully paid up.	499,991	499,991
Chandresh Avenue (C&D) CHS Ltd.	350	350
	<b>9,832,970</b>	<b>9,832,970</b>

**SCHEDULE 6 - CURRENT ASSETS & LOANS & ADVANCES**

**(A) CURRENT ASSETS**

<b>(a) <u>Inventories</u> (As taken, Valued &amp; Certified by the Management)</b>		
Raw Material & Parts	19,377,070	19,327,016
Finished Goods & Work In Process	1,443,095	1,717,722
Scrap	230,202	230,202
Stores & Spares	1,104,921	2,497,540
Forging & Structure Stock	17,471,758	17,840,018
	<b>39,627,046</b>	<b>41,612,498</b>
<b>(b) <u>Sundry Debtors</u> (Unsecured considered good except where otherwise stated)</b>		
More than Six Months	55,646,148	42,869,959
Others	50,535,182	62,255,778
	<b>106,181,330</b>	<b>105,125,737</b>
<b>(c) <u>Cash &amp; Bank Balances</u></b>		
Cash in Hand	18,451	121,912
In Bank of India Fixed Deposit A/c	12,982	4,423,978
In Current A/c with Scheduled Bank	1,151	16,860
	<b>32,584</b>	<b>4,562,750</b>
<b>(d) <u>Other Current Assets</u></b>		
Deposits	499,500	508,080
	<b>499,500</b>	<b>508,080</b>



**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009**

	<b>As At 31.03.2009</b>	<b>(Amount In Rs.) As At 31.03.2008</b>
<b>(B) <u>LOANS &amp; ADVANCES</u></b>		
(a) Advance recoverable in cash or in kind or for value to be received	<b>39,397,207</b>	91,500,709
(b) Balance with Income Tax Department	<b>757,140</b>	14,335,048
(c) Balance with Govt./Semi Govt. Dept	<b>131,171</b>	176,735
	<b>40,285,518</b>	106,012,492

**SCHEDULE 7 - CURRENT LIABILITIES & PROVISIONS**

<b>(A) <u>CURRENT LIABILITIES</u></b>		
Sundry Creditors for goods & expenses	<b>74,312,881</b>	87,231,886
Other Liabilities.	<b>150,461</b>	254,807
	<b>74,463,342</b>	87,486,693
<b>(B) <u>PROVISIONS</u></b>		
Fringe Benefit Tax	<b>115,000</b>	190,000
Gratuity	<b>595,362</b>	600,377
Taxation	-	12,950,000
	<b>710,362</b>	13,740,377

**SCHEDULE 8 - SALES / INCOME FROM OPERATIONS**

Labour Charges	<b>136,439</b>	126,867
Sales	<b>184,741,854</b>	215,745,331
	<b>184,878,293</b>	215,872,198

**SCHEDULE 9 - OTHER INCOME**

Discount	<b>(46)</b>	68,775
Interest	<b>80,454</b>	265,657
Profit / Loss on Sale of Shares	-	1,860,046
Rebate & Claims	<b>3,260</b>	(2,044)
Rent Received	<b>2,765,000</b>	-
	<b>2,848,668</b>	2,192,434



**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009**

	As At 31.03.2009	(Amount In Rs.) As At 31.03.2008
<b><u>SCHEDULE 10 - MATERIAL &amp; MANUFACTURING EXPENSES</u></b>		
Cost of Resale	176,048,944	203,772,476
Electricity, Water & Gas Charges	1,394,130	2,518,268
Freight Inward	-	647
Labour Charges	200,477	137,516
Raw Material Consumed	4,142,980	5,041,539
Repairs & Maintainance	207,730	234,382
Stores & Spares Consumed	1,592,840	157,147
Transportation Charges	2,674	4,240
	<u>183,589,775</u>	<u>211,866,215</u>
<b><u>SCHEDULE 11 - PERSONNEL EXPENSES</u></b>		
Bonus & Others	78,460	138,847
Security Charges	528,484	556,535
Wages, Salaries, Perquisites & Staff Welfare	1,336,389	1,469,871
	<u>1,943,333</u>	<u>2,165,253</u>
<b><u>SCHEDULE 12 - FINANCE CHARGES</u></b>		
Bank Charges	(83,549)	714
Interest	6,590,491	6,020,565
	<u>6,506,942</u>	<u>6,021,279</u>
<b><u>SCHEDULE 13 - OTHER EXPENSES</u></b>		
Advertisement Expenses	45,487	55,455
Auditors Remuneration	71,695	94,888
Books & Periodicals	6,248	4,990
Business Promotion Expenses	11,432	101,384
Carriage Outward & Transport	739,217	661,437
Directors Remuneration	600,000	600,000
Donation	-	500
Fees & Subscription	211,330	73,587
Insurance Expenses	57,115	58,185
Key Man Insurance Expenses	663,960	1,808,325
Legal & Professional Charges	459,684	602,991
Miscellaneous Expenses	131,855	129,816
Motor Car Expenses	61,398	50,702
Postage, Telegram & Telegraph	315,559	329,171
Printing & Stationary	97,825	157,659
Rent, Rates & Taxes	196,895	188,315
Sales Tax Earlier Year	-	18,480
Travelling & Conveyance	143,725	174,177
Truck Expenses	-	3,900
	<u>3,813,425</u>	<u>5,113,962</u>



**SCHEDULE 14 NOTES TO ACCOUNTS**

**I Significant Accounting Policies**

(a) **Basis of Accounting :**

The accounts of the Company are prepared in accordance with the generally accepted accounting principles and the Accounting Standards referred to in Section 211 (3C) wherever applicable.

(b) **Fixed Assets :**

Fixed Assets are shown at cost less depreciation. Cost comprises the purchase price and other attributable expenses.

(c) **Depreciation on Fixed Assets :**

Depreciation has been provided on the Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act 1956.

(d) **Inventories :**

Inventories are valued at lower of cost and net realisable value. The method of valuation of various categories of Inventories is as below :

- |  |  |
|--|--|
| (i) Raw Material                         | - At Cost                                  |
| (ii) Finished goods and work in progress | - At lower of cost or net realisable value |
| (iii) Scrap                              | - At Realisable value                      |

(e) **Taxation :**

- Provision for current taxation has been made on the basis of estimated tax liability in accordance with the Income tax laws prevailing for the relevant assessment year.
- Deferred tax resulting from timing differences between book and tax profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

(f) **Foreign Currency Transactions :**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency assets and liabilities are rated at the date of Balance Sheet. Any gain or loss arising out of settlement of foreign currency transactions are charged to the Profit and Loss Account.

(g) **Revenue Recognition :**

Sales is recognized on the basis of dispatch date net of Excise duty and Sales Tax.

(h) **Retirement Benefit :**

- Retirement benefits in the term of Provident Fund / Pension scheme is accounted for on an accrual basis and charged to the Profit and Loss Account for the year.
- Provisions for liability on account of retirement gratuity is made on the basis of actuarial valuation carried out at the close of the financial year. Effects of cheques are duly given in the Profit and Loss Account.
- The Company accrues the leave encashment liability on an actuarial basis.

(i) **Borrowing Costs :**

Borrowing costs are accounted on an accrual basis and charged to Profit and Loss Account.

(j) Settlement of dispute either in income or expenditure is taken on Cash basis.

(k) Total outstanding to small scale industries undertaking - NIL

(l) The Company is operating in two segment "Manufacturing" & "Trading" in accordance with the provisions of AS-17 of ICAI (details attached as per annexure-I.)

(m) Long term investments are stated at cost.

**II Contingent Liabilities in respect of :**

**As At 31.03.2009**

**As At 31.03.2008**

Claims against the Company not acknowledged as debts hence not provided

**9,30,500**

**9,30,500**

III Previous years figures have been regrouped, rearranged wherever necessary to conform to this year's classification.

IV Balance on account of suppliers & debtors are subject to confirmation.

(I) The company has filed suit for the recovery of Rs. 69,64,541/- against its debtors and the same are pending with the court. The management is confident to recover the said amount.



		<b>(Amount in Rs.)</b>	
		<b>As At 31.03.2009</b>	<b>As At 31.03.2008</b>
V	<b>Managerial Remuneration :</b>		
	Remuneration to Managing Director	<b>6,00,000</b>	6,00,000
	Other Perquisites	<b>35,481</b>	29,167
		<b>6,35,481</b>	6,29,167
VI	<b>Payment to Auditors :</b>		
	Audit Fees	<b>49,635</b>	50,562
	Tax Audit	<b>22,060</b>	22,472
	Sales Tax fees, Certification & Others	<b>19,354</b>	19,354
		<b>91,049</b>	92,388
VII	<b>Expenditure in Foreign Currency :</b>		
(i)	Import Purchase (On C.I.F Value)	<b>NIL</b>	2,37,76,918
		<b>NIL</b>	2,37,76,918
VIII	<b>Earning in Foreign Currency :</b>		
(i)	Earnings from export (on FOB Value)	<b>NIL</b>	NIL

**IX Capacity, Production, Stock, Sales and Consumption :**

**(A) Quantitative information in respect of goods produced :**

Item	Unit	Licenced 2008-09	Installed 2008-09	Production 2008-09
Motor Car Parts.	Pcs.	<b>(15.12 Lacs)</b>	<b>(15.12 Lacs)</b>	<b>8,883</b>
		(15.12 Lacs)	(15.12 Lacs)	(37,740)

Installed Capacity is as certified by the Managing Director & not verified by the auditors, being a technical matter.

**(B) Sales During The Year :**

<b>31.03.2009</b>				<b>31.03.2008</b>	
Items	Unit	Qty	Value (Rs.)	Qty	Value (Rs.)
C.R. / H.R. Sheets	MT.	<b>4593.269</b>	<b>17,69,82,967</b>	6776.843	20,80,32,082
Motor Vehicle Parts	PCS.	<b>8,937</b>	<b>77,58,887</b>	35,680	77,13,249

		<b>IMPORTED</b>	<b>INDIGENOUS</b>	<b>TOTAL</b>
(a)	<b>Raw Material Consumed :</b>			
	Percentage	<b>0.15%</b> (0.11%)	<b>99.85%</b> (99.89%)	<b>100%</b> (100%)
	Quantity (MT)	<b>0.130</b> (0.140)	<b>84.332</b> (124.245)	<b>84.462</b> (124.385)
	Value (Rs.)	<b>56,529</b> (60,878)	<b>25,47,365</b> (35,44,893)	<b>26,03,894</b> (36,05,771)
(b)	<b>Assemblies &amp; Parts</b>			
	Value (Rs.)	<b>6,49,790</b> (0)	<b>8,89,295</b> (14,35,768)	<b>15,39,085</b> (14,35,768)
	Percentage	<b>42.22%</b> (0%)	<b>57.78%</b> (100%)	<b>100%</b> (100%)
(c)	<b>Stores &amp; Spares</b>			
	Value (Rs.)	- (-)	<b>15,92,840</b> (1,57,147)	<b>15,92,840</b> (1,57,147)
	Percentage	- (-)	- (100%)	- (100%)
(d)	<b>Cost of Resale</b>			
	Value (Rs.)			<b>17,60,48,944</b> (20,37,72,476)
	Quantity (NOS & MT)			<b>4593.269</b> (6776.843)





**(D) Closing Stock During The Year :**

31.03.2009				31.03.2008	
Items	Unit	Qty	Value (Rs.)	Qty	Value (Rs.)
Finished Goods/Work In Progress	PCS	3,571	14,43,095	4,643	17,17,722
Raw Materials/ Parts	MT.	341.458	1,08,59,397	341.897	1,00,62,151
	NOS	616,433	85,17,673	616,711	92,64,865
Scrap	MT.	38.367	2,30,202	38.367	2,30,202
Stores & Spares		0	11,04,921	0	24,97,540
Forging & Structure Stock	NOS	35	28,63,000	35	28,63,000
	MT.	2807.480	1,49,08,758	2827.353	1,49,77,018

**Related Party Disclosure (As Identified by the Management)**

**X Related Party Relationship**

(a)	Where control exists	Roshanlal Gupta & Sons Pvt. Ltd. Shashwat Homes Pvt. Ltd. Spectra Motors Ltd.
(b)	Key Management Personnel	Mr Vinod Kumar Gupta
(c)	Relatives of key Management personal	Mr Bharat Bhushan Gupta
(d)	Other Related Parties	

**Notes :**

In respect of above parties, there is no provision for doubtful debts as on 31<sup>st</sup> March, 2009 and no amount has been written off.

**Transaction with Related Parties**

Type of Related Party	Description of the Nature of Business	Volume of Transactions During 2008-2009 (Rs.)	Amounts Outstanding as on 31.03.2009 (Rs.)
Where Control Exists	Advance Taken	10,000	Nil
	Trade Advance	4,00,00,000	Nil
	Purchase	Nil	Nil
Management Personnel	Services	9,675	Nil
	Deposit Against Rent	Nil	1,00,000
	Rent	60,000	Nil
Relatives of Key Management personal	Remuneration	6,35,481	Nil
	Sitting Fees	9,000	Nil

**XI Earnings per Share**

Earning per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per Equity Share are as stated below -

		31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2008
Profit after taxation and before exceptional items	Rs.	Nil	Nil
Profit after taxation	Rs.	Nil	Nil
Weighted average number of Shares	Nos.	70,78,500	70,78,500
Earnings per Share before exceptional items (Basic and Diluted)	Rs.	(1.69)	(1.25)



Earning per Share (Basic and Diluted)	Rs.	(1.69)	(1.25)
Face Value per Share	Rs.	10	10

Signature to Schedules 1 to 14 in terms of our attached report of even date.

**For D.K. ROONGTA & COMPANY**

Chartered Accountants

**DINESH K. ROONGTA**

(Proprietor)

Place : Mumbai

Date: 30<sup>th</sup> June, 2009

For and on behalf of the Board

**Bharat Bhushan Gupta** - Chairman  
**Vinod Kumar Gupta** - Managing Director  
**Prabhjot Singh Chandok** - Director  
**Achal Bangani** - Director  
**A. M. Arondekar** - Director  
**Sanjeev Chirania** - Director

**Amita Vageriya**  
Company Secretary

**Annexure – I To Clause I of Schedule 14**

**Segmentwise Revenue, Results and Capital Employed For The Year Ended 31<sup>ST</sup> March 2009.**

(Amount In Rs.)			
Sr.No.	Particulars	Year Ended 31 <sup>st</sup> March 2009 Audited	Year Ended 31 <sup>st</sup> March 2008 Audited
1)	<b>Segment Revenue</b>		
	A) Sheet Metal Press Parts	79,95,326	78,40,116
	B) Trading Of Steel / Scrap	17,69,82,967	20,80,32,082
	C) Others	28,48,668	3,23,388
	<b>Total</b>	<b>18,77,26,961</b>	<b>21,62,04,586</b>
2)	<b>Segment Results</b>		
	[Profit/(Loss) before tax and interest from each segment]		
	A) Sheet Metal Press Parts	(54,40,098)	(54,28,162)
	B) Trading Of Steel / Scrap	(1,11,324)	28,55,004
	C) Others	28,48,668	21,92,434
	<b>Total</b>	<b>(27,02,754)</b>	<b>(3,80,724)</b>
	Less : Interest Expenses	65,90,491	60,20,565
	Other unallocable expenditure (net of unallocable income)	29,96,833	23,78,719
	<b>Total Profit Before Tax</b>	<b>(1,22,90,078)</b>	<b>(1,06,40,054)</b>
3)	<b>Capital Employed</b>		
	(Segment Assets – Segment Liabilities)		
	A) Sheet Metal Press Parts	6,94,33,936	7,18,71,248
	B) Trading Of Steel / Scrap	5,76,75,439	5,19,79,401
	C) Unallocable Capital Employed	2,79,36,911	7,93,34,678
	<b>Total</b>	<b>15,50,46,313</b>	<b>20,31,85,327</b>



**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**I. Registration Details**

Registration No. **L74999MH1992PLC067849** State Code **11**  
Balance Sheet Date **31.03.2009**

**II Capital Raised during the year (Amount in Rs.Thousand)**

PUBLIC ISSUE <b>NIL</b>	RIGHT ISSUE <b>NIL</b>
Bonus Issue <b>NIL</b>	Private Placement <b>NIL</b>

**III Position of Mobilisation & Deployment of funds (Amount In Rs.Thousand)**

Total Liabilities <b>165323</b>	Total Assets <b>165323</b>
------------------------------------	-------------------------------

Sources of Funds	
Paid Up Capital <b>70785</b>	Reserve & Surplus <b>37247</b>

Secured Loan <b>47014</b>	Unsecured Loan <b>NIL</b>
------------------------------	------------------------------

Deferred Tax Liability  
**10277**

Application of Funds	Investments
Net Fixed Assets <b>44038</b>	<b>9833</b>

Net Current Assets <b>111452</b>	Miscellaneous Expenditure <b>NIL</b>
-------------------------------------	---

Accumulated Losses  
**NIL**

**IV Performance of Company (Amount In Rs. Thousand.)**

Turnover <b>187727</b>	Total Expenditure <b>200015</b>
---------------------------	------------------------------------

Profit Before Tax <b>-12288</b>	Profit After Tax <b>-11950</b>
------------------------------------	-----------------------------------

Earning per Share In Rs. <b>-1.69</b>	Dividend Rate % <b>NIL</b>
--	-------------------------------

**V. Generic Names of Three principal Products/Service of Company (As per Monetary Terms)**

Item Code No. (Itc Code) **7309**

**Product Description**

- 1) SHEET METAL PRESS PARTS
- 2) CRCA SHEET COILS

For and on behalf of the Board

<b>Bharat Bhushan Gupta</b>	- Chairman
<b>Vinod Kumar Gupta</b>	- Managing Director
<b>Prabhjot Singh Chandok</b>	- Director
<b>Achal Bangani</b>	- Director
<b>A. M. Arondekar</b>	- Director
<b>Sanjeev Chirania</b>	- Director

Place : Mumbai  
Date: 30<sup>th</sup> June, 2009



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

(Pursuant to Listing Agreement with Stock Exchanges)

(Amount In Rs.)

PARTICULARS	Year Ended 31.03.2009		Year Ended 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and extraordinary items		(12,288,338)		(10,640,054)
Adjustments for :				
Depreciation	3,887,197		4,054,842	
Interest Received	(80,454)		(265,657)	
Write Offs	-	3,806,743	-	3,789,185
(Profit) / Loss on Sale of Investment	6,590,491		(1,860,046)	
Interest Paid			6,020,565	
Less : Interest Dividend & Rent Received	-		-	
Depreciation for Earlier Year	-		-	
Income Tax for Earlier Year	-		-	
	422,740	7,013,231	-	4,160,519
<b>Operating Profit before Working Capital changes :</b>		<b>(1,468,364)</b>		<b>(2,690,350)</b>
Adjustments for :				
Inventories		1,985,452		(2,454,520)
Trade and other Receivables		51,102,053		22,178,716
Trade Payables		(13,028,366)		12,037,544
<b>Cash generated from Operations</b>		<b>38,590,775</b>		<b>29,071,390</b>
Direct Taxes Paid (Net Of Refunds)		75,168		(5,790,483)
Interest Paid		(6,590,491)		(6,020,565)
<b>Cash Flow before Extraordinary Items</b>				
Income Tax Earlier Year		(422,740)		-
Depreciation Earlier Year		-		-
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>31,652,712</b>		<b>17,260,342</b>
<b>B CASH FLOW FROM INVESTMENTS ACTIVITIES</b>				
Purchase of Fixed Assets		(74,750)		(882,914)
Sale of Fixed Assets		-		-
Purchase of Investments		-		(350)
Sale of Investment		-		4,847,546
Interest Received		80,454		265,657
Dividend Received		-		-
Rent Received		-		-
<b>NET CASH FROM INVESTMENTS ACTIVITIES</b>		<b>5,704</b>		<b>4,229,939</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Share Capital		-		-
Proceeds from Borrowings		-		-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>-</b>		<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>31,658,416</b>		<b>21,490,281</b>
<b>Cash and Cash Equivalents Opening Balance :</b>				
Cash and Bank Balance	4,562,750		7,134,742	
Cash Credit Accounts	(47,161,643)	(42,598,893)	(71,223,916)	(64,089,174)
<b>Cash and Cash Equivalents Closing Balance :</b>				
Cash and Bank Balance	32,584		4,562,750	
Cash Credit Accounts	(10,973,061)	(10,940,477)	(47,161,643)	(42,598,893)

For and on behalf of the Board

**Bharat Bhushan Gupta** - Chairman  
**Vinod Kumar Gupta** - Managing Director  
**Prabhjot Singh Chandok** - Director  
**Achal Bangani** - Director  
**A. M. Arondekar** - Director  
**Sanjeev Chirania** - Director

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

**Amita Vageriya**  
Company Secretary



**AUDITORS' CERTIFICATE**

To,

The Board of Directors  
**Spectra Industries Ltd**  
Mumbai.

We have verified the above Cash Flow Statement of Spectra Industries Ltd. derived from the audited financial statements for the year ended March 31, 2009, and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the Listing Agreements with Stock Exchanges.

For **D. K. ROONGTA & COMPANY**  
Chartered Accountants

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009.

**DINESH K. ROONGTA**  
(Proprietor)



PROXY FORM

**SPECTRA INDUSTRIES LIMITED**

Plot No. 9, Spectra Compound, Ramchandra Lane Extn., Kanchpada II, Malad (West), Mumbai - 400 064.

Folio No. \_\_\_\_\_ No. of shares \_\_\_\_\_ Client Id. \_\_\_\_\_

I/We \_\_\_\_\_  
of \_\_\_\_\_ (Write Full Address)being a member / members of **SPECTRA INDUSTRIES LIMITED** hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ (Write Full Address)

as my / our Proxy to attend and vote for me / us and on my / our behalf at the Seventeenth Annual General Meeting to be held on Saturday, the 19th day of September 2009 at 11.00 a.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Affix Revenue  
Stamp of

Re. 1

Signature

Note: The proxy must be sent 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.

Cut Here

ATTENDANCE SLIP**SPECTRA INDUSTRIES LIMITED**

Regd. Off : Plot No. 9, Spectra Compound, Ramchandra Lane Extn., Kanchpada II, Malad (West), Mumbai - 400 064.

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No. \_\_\_\_\_

NAME AND ADDRESS OF THE SHAREHOLDER

No. of shares held \_\_\_\_\_

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company held on SATURDAY, THE 19<sup>TH</sup> DAY OF SEPTEMBER 2009 at 11.00 A.M. at Green Village Resorts Limited, Near Malavani Church, Opposite Akashwani Kendra, Marve Road, Malad (West), Mumbai 400 095

Signature of the Shareholder / Proxy \_\_\_\_\_

**BOOK-POST**

**To**



If Undelivered, please return to :

**SPECTRA**  
INDUSTRIES LIMITED

P.O.Box No. 7638  
Malad (West),  
Mumbai - 400 064.