

EIGHTEENTH

Annual Report 2009-2010

SPECTRA
INDUSTRIES LIMITED



BOARD OF DIRECTORS

Mr. Bharat Bhushan Gupta	Chairman
Mr. Vinod Kumar Gupta	Managing Director
Mr. Prabhjot Singh Chandok	
Mr. A. M. Arondekar	
Mr. Sanjeev Chirania	
Mr. Jaidev Gupta (Appointed as Additional Director w.e.f. 28.01.2010)	
Mr. C. J. Kotcher (Appointed as Additional Director w.e.f. 28.01.2010)	

AUDITORS

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

COMPANY SECRETARY

Amita Champawat (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 **Eighteenth 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 : Friday, 27th August 2010 at 11.00 a.m.

To transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 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 Sanjeev Chirania who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Bharat Bhushan Gupta who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS -

5. To appoint a Director in place of Mr. Jaidev Gupta, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
6. To appoint a Director in place of Mr. CJ Kotcher, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of 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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of the Special Business at item nos. 5 and 6 above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20th August 2010 to Friday, 27th August 2010 (both days inclusive).
4. 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
Date : 28th May, 2010

By Order of the Board

Amita Champawat (Vageriya)
Company Secretary.



ANNEXURE TO NOTICE

Explanatory Statement As Required Under Section 173 of The Companies Act 1956

Item no.5

Mr. Jaidev Gupta was appointed as an Additional Director of the Company by the Board of Directors on 28.01.2010. By virtue of section 260 of the Companies Act, 1956, he would hold office upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Notice alongwith necessary deposit of Rs.500/- under section 257 of the Companies Act, 1956 has been received from a member of the Company proposing the name of Mr. Jaidev Gupta as a candidate for the office of Director.

Brief details of Mr. Jaidev Gupta has been given in the Report on Corporate Governance, which forms a part of the Annual Report.

The Board commends the approval by the members of the said Appointment.

Mr. Jaidev Gupta is concerned or interested in the resolution as it relates to his own appointment. Mr. Vinod Gupta, Managing Director is also interested in the above resolution being a relative of him.

Item no. 6

Mr. C J Kotcher was appointed as an Additional Director of the Company by the Board of Directors on 28.01.2010. By virtue of section 260 of the Companies Act, 1956, he would hold office upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Notice alongwith necessary deposit of Rs.500/- under section 257 of the Companies Act, 1956 has been received from a member of the Company proposing the name of Mr. C J Kotcher as a candidate for the office of Director.

Brief details of Mr. C J Kotcher has been given in the Report on Corporate Governance, which forms a part of the Annual Report.

The Board commends the approval by the members of the said Appointment.

Mr. C J Kotcher is concerned or interested in the resolution as it relates to his own appointment.

By order of the Board

Amita Champawat (Vageriya)
Company Secretary.

Registered Office:
Plot No. 9, Spectra Compound
Ramchandra Lane Extension
Kanchpada II
Malad - West, Mumbai - 400 064.
Date: 28.05.2010



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present before you the Eighteenth Annual Report together with the Audited Statement of Accounts of the Company for the Year ended 31st March, 2010.

FINANCIAL RESULTS -

(Rs. in lacs)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
Sales & Operational Income	3626.36	1848.78
Profit before Interest, Depreciation and Tax	139.01	(18.94)
Less : Interest	39.10	65.07
Depreciation	37.47	38.87
Tax	12.50	-
Fringe Benefit Tax	-	0.55
Add : Deferred Tax	89.07	104.49
	7.94	8.16
Net Profit/(Loss) for the year	57.88	(115.27)
Add : Balance brought forward from previous year	172.48	291.98
Amount available for appropriation	230.36	176.71
Add : Depreciation for Earlier Year	-	-
Less : Income Tax for Earlier year	-	4.23
Balance carried forward	230.36	172.48

DIVIDEND

The directors do not recommend dividend for the Financial year ended 31st March, 2010.

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 for the year 2010-2011.

DIRECTORS

Mr. Jaidev Gupta and Mr. CJ Kotcher were appointed as Additional Directors of the Company w.e.f. 28.01.2010 By virtue of Section 260 of the Companies Act, 1956 they would hold office upto the date of the ensuring Annual General Meeting and are eligible for re appointment.

Shri Sanjeev Chirania and Shri Bharat Bhushan Gupta 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.

During the year Mr. Achal Bangani, Director of the Company, resigned from the Directorship of the Company w.e.f. 20.10.2009. The Directors put on record their sincere appreciation for the contribution made by him during the tenure of his office as a director of the company.

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 Exchange are attached to this Report and forms part of this Report.

POSTAL BALLOT

The Company has passed special resolutions for alteration in objects clause of the Memorandum of Association of the company under section 17 of the Companies Act, 1956 & commencement of new business under section 149 of the Companies Act, 1956 through Postal Ballot on 18.05.2010.



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 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 31st March, 2010 on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION
AND FOREIGN EXCHANGE EARNING 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 : 28th May, 2010

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 Mfg Co. Ltd.

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. Efforts are being made to enlarge the trading activity base and also to diversify the present 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

During the year 2009-10 the turnover of the Company has increased to Rs. 3626.36 lacs as compared to Rs. 1848.78 lacs for the previous year 2008-09 resulting the Net Profit of Rs. 57.88 Lacs during the financial year 2009-10 compared to Loss of Rs. 115.28 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 31st March, 2010 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 Seven (7) 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	5	3	Yes	13	-	-
Mr. Vinod Kumar Gupta	Managing Director	5	5	Yes	12	-	-
Mr. Prabhjot Singh Chandok	Non Executive & Independent Director	5	5	Yes	3	-	1
Mr. A. M. Arondekar	Non Executive & Independent Director	5	5	No	2	1	1
Mr. Achal Bangani (Resigned w.e.f. 20.10.2009)	Non Executive & Independent Director	5	2	Yes	1	-	-
Mr. Sanjeev Chirania	Non Executive & Independent Director	5	5	Yes	2	-	-
Mr. Jaidev Gupta (Appointed as Additional Director on 28.01.2010)	Non Executive & Promoter Director	5	-	NA	3	-	-
Mr. C J Kotcher (Appointed as Additional Director on 28.01.2010)	Non Executive & Independent Director	5	-	NA	-	-	-

(B.) Non-Executive Directors Compensation

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

Shri Bharat Bhushan Gupta holds 6,02,399 shares and Mr. Jaidev Gupta holds 156074 shares. Except them none of the non-executive directors holds any shares in the company.

(C.) Independent Directors

The independent directors are not related to promoters or management at the board level.

(D.) Board Procedure

Five (5) Board Meetings were held during the year 2009-2010. The dates on which the said meetings were held are 28/04/2009, 30/06/2009, 30/07/2009, 30/10/2009, 28/01/2010.

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. Bharat Bhushan Gupta is a qualified Mechanical Engineer. He commenced his career as a partner in his family concern M/s Roshanlal Gupta & co. which was subsequently converted into a private limited company. As a qualified engineer he has developed wide range of automobile sheet metal parts for the company. He has a rich experience of more than three decades in the automobile industry. He is Director on the Boards of Spectra Motors Limited (MD), Vasai Roller Flour Mills Pvt. Ltd., Roshanlal Gupta & Sons Pvt. Ltd; Roopshan Textiles Pvt. Ltd., Raghupati Vihar developers Pvt. Ltd., Shubik Realities Pvt. Ltd., Shashwat Homes Pvt. Ltd; Fedsoft India Pvt. Ltd., Spectra Auto Pvt. Ltd., D D Towers Pvt. Ltd., Nasik Super Tool Company Pvt. Ltd., Spectra Enterprises Pvt. Ltd. & Monarch Moulding Pvt. Ltd.

Details of other committee memberships and no of shares held to be given : NIL

Shri . Sanjeev Chirania is a Chartered Accountant and has been practicing as a Chartered Accountant. He specializes in the audit and taxation fields. He hold Directorship in Perfect Corporate Services Limited and AA Doshi Commodities Broker Pvt. Ltd. also

Details of other committee memberships and no of shares held to be given : NIL

Mr. Jaidev Gupta, B.com Dip in BBM is young, energetic and well qualified person. He has been handling the family businesses and automobile business in particular for the last 3 years. He has also completed some useful courses like Personality Development, Public Speaking from Indo American Society, His Knowledge, experience and dedicated nature will be useful for the progress of the company. He holds Directorship in Spectra Motors Limited, Maruti Roller Flour Mills Pvt. Ltd. and Vasai Roller Flour Mills Pvt. Ltd.

Mr. C. J. Kotcher, M.com, CAIIB served the Bank of India, a leading Public Sector Bank, for nearly three decades. He served the Bank in various capacities in India. He held the post of Assistant General Manager at Bank of India. He retired from the Bank's service at the end of 2000. He switched over to Development Credit Bank as a Chief Manager (Credit) Corporate Finance Group in the year 2001 and held that position for 5 years. His immense experience and guidance will help in dealing with financial matters of the company.

(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 three Independent Non- executive Directors. During the year, Mr. Achal Bagnani resigned from the Company's Directorship and all committees of the Company W.e.f. 20.10.2009. Accordingly, the Audit committee was reconstituted at the board meeting held on 28.01.2010 comprising of the following:

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

The Chairman of the Audit Committee has 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 292 A 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 2009-2010. The dates on which the meetings were held are 28/04/2009, 30/06/2009, 30/07/2009, 30/10/2009 and 28/01/2010.



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 (upto 20.10.2009)	2
2.	Mr. Prabhjot Singh Chandok	5
3.	Mr. A. M. Arondekar	5
4.	Mr. Sanjeev Chirania	5

The chairman of the Audit Committee was present at the Seventeenth Annual General Meeting held on 19th September, 2009.

The Company has not adopted non-mandatory requirements of clause 49. However the particulars relating to remuneration committee are given in this report.

III. SUBSIDIARY COMPANY

The Company has no subsidiary company.

IV. REMUNERATION COMMITTEE

The Remuneration Committee comprised solely of Independent & Non-Executive Directors Mr. Achal Bangani, resigned from the Company's Directorship and all committees of the Company w.e.f. 20.10.2009. Accordingly, the Remuneration Committee was reconstituted comprising of the following:

1. Mr. A. M. Arondekar (Chairman)
2. Mr. Prabhjot Singh Chandok (Member)
3. Mr. C J Kotcher (Member)

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.

No meeting of the Remuneration committee was held during the financial year 2009-2010.

The details of remuneration paid to the Managing Director and other Directors of the Company during the year ended 31st March 2010 are given below:

(Amount in Rs.)

Name of Director	Salary	Perquisites	Commission	Others	Sitting Fees	Total
Mr. VinodKumar Gupta Managing Director	6,00,000/-	26,439/-	--	--	--	6,26,439/-
Mr. Bharat Bhushan Gupta	--	--	--	--	4,500/-	4,500/-
Mr. Prabhjot Singh Chandok	--	--	--	--	15,000/-	15,000/-
Mr. A. M. Arondekar	--	--	--	--	15,000/-	15,000/-
Mr. Achal Bangani	--	--	--	--	6,000/-	6,000/-
Mr. Sanjeev Chirania	--	--	--	--	15,000/-	15,000/-

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

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



V. SHARE HOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee comprises 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 2009-2010. The dates on which the meetings were held are as follows:

28/04/2009, 30/06/2009, 30/07/2009, 30/10/2009 & 28/01/2010.

Composition, category and attendance of Members is as follows :

Name of Director	Category	No. of Meetings Attended
Mr. Bharat Bhushan Gupta	Chairman	3
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 through SEBI and replied to the satisfaction of shareholders during the year under review, were one. Outstanding complaints as on 31st March, 2010 were NIL. No requests for transfers were pending for approval as on 31st March, 2010.

VI. GENERAL BODY MEETING

Location and time of last three Annual General Meetings :-

Year	Venue	Day, Date	Time	Special Resolution, If Any
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
2008-2009	Green Village Resorts Limited, Near Malvani Church, Opp. Akashwani Kendra Marve Road, Malad (W), Mumbai - 400 095	Saturday 19.09.2009	11.00 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

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

X. GENERAL SHAREHOLDERS' INFORMATION

- | | |
|---|---|
| 1. Annual General Meeting
Day, Date, Time and Venue | Friday, 27 th August 2010 at 11.00 a.m.
at Green Village Resorts Limited,
Near Malavani Church,
Opp. Akashwani Kendra, Marve Road,
Malad (W), Mumbai - 400 095 |
| 2. Financial Year/Calendar
(Provisional) | April to March |
| - Results for first quarter
ending June 30, 2010 | Last week of July 2010 |
| - Results for second quarter
ending September 30, 2010 | Last week of October 2010 |
| - Results for third quarter
ending December 31, 2010 | Last week of January 2011 |
| - Audited Results for the year
ending March 31, 2011 | Last week of May 2011 |
| 3. Dates of Book Closure | Friday, 20 th August 2010 to
27 th August 2010 (both days inclusive) |
| 4. Registered Office | Plot No. 9, Spectra Compound,
Ramchandra Lane Extn., Kanchpada II,
Malad (W), Mumbai 400 064. |



5. Compliance Officer
Shri Prakash Roongta
Tel No : 022- 28893933, 68,77
Fax No: 022- 28891342
6. Registrars & Share Transfer Agents
Sharex Dynamic (India) Pvt. Ltd.
Unit 1, Luthra Ind. Premises
Andheri Kurla Road
Safed Pool, Andheri (East)
Mumbai - 400 072
Tel No : 022-28515606, 28515644
Fax No : 28512885
7. Plant location
C-1, MIDC, Murbad 421 401
8. Listing on Stock Exchanges
and Stock Code
At the Bombay Stock Exchange Limited
513687.
Annual Listing Fees for financial year 2010-2011 has
been paid to Bombay 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 Limited
during 2009-2010.

High and Low prices of the Company's shares on BSE with corresponding BSE Sensex April, 2009 to March, 2010.

MONTHS	High		Low	
	Spectra Industries Ltd.	BSE Sensex	Spectra Industries Ltd.	BSE Sensex
April 2009	7.90	11492.10	7.76	9546.29
May 2009	8.76	14930.54	7.70	11621.30
June 2009	8.70	15600.30	5.19	14016.95
July 2009	7.01	15732.81	4.92	13219.99
August 2009	9.17	16002.46	6.67	14684.45
September 2009	10.82	17142.52	6.65	15356.72
October 2009	15.00	17493.17	9.84	15805.20
November 2009	10.44	17290.48	7.92	15330.56
December 2009	10.43	17530.94	8.45	16577.78
January 2010	12.10	17790.33	9.44	15982.08
February 2010	10.33	16669.25	9.00	15651.99
March 2010	10.00	17793.01	7.48	16438.45

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 31st March 2010:**

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	4,27,828	6.044
NRI / OCB / FII	2,89,181	4.085
General Public	27,45,851	38.791
Others - Clearing Members	400	0.006
TOTAL	70,78,500	100.00

13. Dematerialization of shares

As on March 31, 2010 77.94% 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 28th May, 2010 to approve the audited annual accounts for the year ended 31st March, 2010.

XII. 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 31st March, 2010.

Place : Mumbai
Date : 28th May, 2010

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 31st March 2010, 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 : 28th May, 2010

DINESH K. ROONGTA
(Proprietor)
Membership No : 17679



AUDITORS' REPORT

To
The Members of
SPECTRA INDUSTRIES LIMITED

We have audited the attached Balance Sheet of SPECTRA INDUSTRIES LIMITED as at 31st March 2010, 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.
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.
3. Further to our comments in the Annexure referred to in Paragraph 2 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 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;
 - (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 31st March, 2010, and taken on record by the board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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, 2010;
 - (b) In the case of the Profit and Loss Account, of the profit 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;

For D.K.ROONGTA & COMPANY
Chartered Accountants

Place : Mumbai
Date : 28th May, 2010

DINESH K ROONGTA
(Proprietor)
Membership No : 17679



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;
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;
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:
 - (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.
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 31st March, 2010 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
10. The Company does not have any accumulated losses and has not incurred cash loss during the current financial year. However it had 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: 28th May, 2010

DINESH K.ROONGTA
(Proprietor)
Membership No : 17679



SPECTRA INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2010

		As At	(Amount In Rs.)
	Schedule	31.03.2010	As At 31.03.2009
I SOURCES OF FUNDS			
1) Shareholders Fund			
a) Share Capital	1	70,785,000	70,785,000
b) Reserves & Surplus	2	43,036,079	37,247,689
2) Loan Fund	3		
a) Secured Loan		36,040,563	47,013,624
3) Deferred Tax Liability		9,483,563	10,277,067
TOTAL :		159,345,205	165,323,380
II APPLICATION OF FUNDS			
1) Fixed Assets			
Gross Block	4	86,065,167	86,903,064
Less : Depreciation		45,989,257	42,864,928
		40,075,910	44,038,136
2) Investments	5	9,832,970	9,832,970
3) (A) Current Assets & Loans & Advances			
(i) Current Assets	6		
a) Inventories		49,761,587	39,627,046
b) Sundry Debtors		206,731,917	106,181,330
c) Cash & Bank Balances		29,881,870	32,584
d) Other Current Assets		399,500	499,500
(ii) Loans & Advances		61,124,175	40,285,518
Total A		347,899,049	186,625,978
(B) Current Liabilities & Provisions	7		
(i) Current Liabilities		236,516,786	74,463,342
(ii) Provisions		1,945,938	710,362
Total B		238,462,724	75,173,704
Net Current Assets (A)-(B)		109,436,325	111,452,274
TOTAL :		159,345,205	165,323,380
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)
Membership No : 17679
Place : Mumbai
Date: 28th May, 2010

Amita Champawat (Vageriya)
Company Secretary

For and on behalf of the Board

Bharat Bhushan Gupta	- Chairman
Vinod Kumar Gupta	- Managing Director
A. M. Arondekar	- Director
Prabhjot Singh Chandok	- Director
Sanjeev Chirania	- Director
Jaidev Gupta	- Director
C J Kotcher	- Director



SPECTRA INDUSTRIES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		(Amount in Rs.)	
	Schedule	As At 31.03.2010	As At 31.03.2009
<u>INCOME</u>			
Sales / Operational Income	8	362,636,203	184,878,293
Other Income	9	70,834	2,848,668
Increase / (Decrease) in Stock		(225,401)	(274,627)
Total :		362,481,636	187,452,334
<u>EXPENDITURE</u>			
Material & Manufacturing Expenses	10	344,198,019	183,589,775
Personnel Expenses	11	2,008,843	1,943,333
Finance Charges	12	3,909,785	6,506,942
Other Expenses	13	2,373,593	3,813,425
Depreciation		3,746,510	3,887,197
Total :		356,236,750	199,740,672
Profit / (Loss) Before Taxation		6,244,886	(12,288,338)
Less : Provision For Taxation		1,250,000	-
Fringe Benefit Tax		-	(55,000)
Add : Deferred Tax		793,504	815,646
Profit / (Loss) After Tax		5,788,390	(11,527,692)
Add : Income Tax Earlier Year		-	422,740
		5,788,390	(11,950,432)
Add : Balance Brought from earlier year		17,247,689	29,198,121
Total :		23,036,079	17,247,689
<u>APPROPRIATION</u>			
Balance carried to Balance Sheet		23,036,079	17,247,689
Total :		23,036,079	17,247,689
Basic and diluted Earnings Per Share (Rupees)		(0.82)	(1.69)

Notes To Accounts

Schedule 1 to 14 form an integral part of accounts.

14

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

DINESH K. ROONGTA
(Proprietor)
Membership No : 17679
Place : Mumbai
Date: 28th May, 2010

Amita Champawat (Vageriya)
Company Secretary

For and on behalf of the Board

Bharat Bhushan Gupta - Chairman
Vinod Kumar Gupta - Managing Director
A. M. Arondekar - Director
Prabhjot Singh Chandok - Director
Sanjeev Chirania - Director
Jaidev Gupta - Director
C J Kotcher - Director



SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	(Amount in Rs.)	
	As At 31.03.2010	As At 31.03.2009
SCHEDULE 1 - SHARE CAPITAL		
Authorised 8000000 Equity Shares of Rs. 10/- each.	80,000,000	80,000,000
Issued, Subscribed & Paid up 7078500 Equity Shares of Rs. 10/- each. (Previous year 7078500 Equity Shares of Rs. 10/- each.)	70,785,000	70,785,000
SCHEDULE 2 - RESERVES & SURPLUS		
General Reserve	17,000,000	17,000,000
Capital Subsidy A/c	3,000,000	3,000,000
Profit & Loss A/c (As per Annexed P&L A/c)	23,036,079	17,247,689
	43,036,079	37,247,689

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)	-	10,973,061
Deferred Sales Tax Loan (SICOM) (As per Scheme 1988)	36,040,563	36,040,563
	36,040,563	47,013,624

SCHEDULE 4 - FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2009	Addition during the year	Deductions during the year	Cost as on 31.03.2010	Upto 01.04.2009	Deductions during the year	For the Year	Total as on 31.03.2010	As on 31.03.2010	As on 31.03.2009
1	Land & Building	32,833,755			32,833,755	15,529,765		1,096,647	16,626,412	16,207,343	17,303,990
2	Plant & Machinery	36,858,879			36,858,879	16,261,046		1,750,798	18,011,844	18,847,035	20,597,833
3	Electric Installations	7,135,431			7,135,431	4,339,685		338,933	4,678,618	2,456,813	2,795,746
4	Furniture & Fixtures	645,708		1	645,707	480,451		40,874	521,325	124,382	165,256
5	Vehicles	1,426,854			1,426,854	1,426,854			1,426,854	-	-
6	Truck	837,896		837,896	-	622,181	622,181		-	-	215,715
7	Office Equipments	1,471,891			1,471,891	667,982		69,915	737,897	733,994	803,909
8	Computers	837,706			837,706	814,148		6,096	820,244	17,462	23,558
9	Tools & Dies	3,919,068			3,919,068	2,722,816		443,247	3,166,063	753,005	1,196,252
10	Flat at Dombivali	935,876			935,876	-			-	935,876	935,876
		86,903,064		837,897	86,065,167	42,864,928	622,181	3,746,510	45,989,257	40,075,910	44,038,135
	Previous Year	86,828,314	74,750	-	86,903,064	38,977,731	-	3,887,197	42,864,928	44,038,136	47,850,583

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 2010

	As At 31.03.2010	(Amount In Rs.) As At 31.03.2009
<u>SCHEDULE 5 - INVESTMENTS (Long Term) at Cost</u>		
<u>QUOTED (Trade Investments)</u>		
1985117(1985117) Equity Shares of Pal Credit & Capital Ltd. of Rs. 10/- each fully paid up. (Market Value of Quoted Shares Rs.5935500/-) (Market Value of Quoted Shares P.Y. Rs.4049639/-)	9,332,629	9,332,629
<u>UNQUOTED</u>		
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
	<u>9,832,970</u>	<u>9,832,970</u>

SCHEDULE 6 - CURRENT ASSETS & LOANS & ADVANCES

(A) CURRENT ASSETS

(a) <u>Inventories</u> (As taken, Valued & Certified by the Management)		
Raw Material & Parts	16,536,257	19,377,070
Finished Goods & Work In Process	1,217,694	1,443,095
Scrap	230,202	230,202
Stores & Spares	703,271	1,104,921
Forging & Structure Stock	31,074,163	17,471,758
	<u>49,761,587</u>	<u>39,627,046</u>
(b) <u>Sundry Debtors</u> (Unsecured considered good except where otherwise stated)		
More than Six Months	63,347,208	55,646,148
Others	143,384,709	50,535,182
	<u>206,731,917</u>	<u>106,181,330</u>
(c) <u>Cash & Bank Balances</u>		
Cash in Hand	672,290	18,451
In Bank of India Fixed Deposit A/c	11,949,487	12,982
In Current A/c with Scheduled Bank	10,729	1,151
In Cash Credit A/c with B.O.I	17,249,364	-
	<u>29,881,870</u>	<u>32,584</u>
(d) <u>Other Current Assets</u>		
Deposits	399,500	499,500
	<u>399,500</u>	<u>499,500</u>



SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

	As At 31.03.2010	(Amount In Rs.) As At 31.03.2009
(B) <u>LOANS & ADVANCES</u>		
(a) Advance recoverable in cash or in kind or for value to be received	59,717,143	39,397,207
(b) Balance with Income Tax Department	1,365,406	757,140
(c) Balance with Govt./Semi Govt. Dept	41,626	131,171
	61,124,175	40,285,518

SCHEDULE 7 - CURRENT LIABILITIES & PROVISIONS

(A) <u>CURRENT LIABILITIES</u>		
Sundry Creditors for goods & expenses	236,439,170	74,312,881
Other Liabilities.	77,616	150,461
	236,516,786	74,463,342
(B) <u>PROVISIONS</u>		
Fringe Benefit Tax	115,000	115,000
Gratuity	580,938	595,362
Taxation	1,250,000	-
	1,945,938	710,362

SCHEDULE 8 - SALES / INCOME FROM OPERATIONS

Labour Charges	139,870	136,439
Sales	362,496,333	184,741,854
	362,636,203	184,878,293

SCHEDULE 9 - OTHER INCOME

Discount	(3,344)	(46)
Interest	210,174	80,454
Profit / Loss on Sale of Fixed Assets	(165,715)	-
Rebate & Claims	(1,281)	3,260
Rent Received	31,000	2,765,000
	70,834	2,848,668



SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

	As At 31.03.2010	(Amount In Rs.) As At 31.03.2009
<u>SCHEDULE 10 - MATERIAL & MANUFACTURING EXPENSES</u>		
Cost of Resale	334,995,139	176,048,944
Electricity, Water & Gas Charges	955,916	1,394,130
Labour Charges	923,243	200,477
Raw Material Consumed	4,733,971	4,142,980
Repairs & Maintenance	207,003	207,730
Stores & Spares Consumed	2,379,074	1,592,840
Transportation Charges	3,673	2,674
	<u>344,198,019</u>	<u>183,589,775</u>
<u>SCHEDULE 11 - PERSONNEL EXPENSES</u>		
Bonus & Others	28,900	78,460
Security Charges	536,424	528,484
Wages, Salaries, Perquisites & Staff Welfare	1,443,519	1,336,389
	<u>2,008,843</u>	<u>1,943,333</u>
<u>SCHEDULE 12 - FINANCE CHARGES</u>		
Bank Charges	1,223,524	(83,549)
Interest	2,686,261	6,590,491
	<u>3,909,785</u>	<u>6,506,942</u>
<u>SCHEDULE 13 - OTHER EXPENSES</u>		
Advertisement Expenses	43,480	45,487
Auditors Remuneration	71,695	71,695
Books & Periodicals	1,871	6,248
Business Promotion Expenses	-	11,432
Carriage Outward & Transport	122,095	739,217
Directors Remuneration	600,000	600,000
Fees & Subscription	71,685	211,330
Insurance Expenses	68,056	57,115
Key Man Insurance Expenses	-	663,960
Legal & Professional Charges	560,817	459,684
Miscellaneous Expenses	88,583	131,855
Motor Car Expenses	66,234	61,398
Postage, Telegram & Telegraph	149,801	315,559
Printing & Stationary	65,568	97,825
Rent, Rates & Taxes	128,315	196,895
Travelling & Conveyance	151,211	143,725
Written Off	184,182	-
	<u>2,373,593</u>	<u>3,813,425</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 :

- (i) 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.
- (ii) 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 :

- (i) 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.
- (ii) 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.
- (iii) 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 31.03.2010

As At 31.03.2009

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 suits for the recovery of Rs. 69,64,541/- against its debtors and the same are still pending with the court. The management is confident to recover the said amount.



		(Amount in Rs.)	
		As At 31.03.2010	As At 31.03.2009
V	Managerial Remuneration :		
	Remuneration to Managing Director	6,00,000	6,00,000
	Other Perquisites	26,439	35,481
		6,26,439	6,35,481
VI	Payment to Auditors :		
	Audit Fees	49,635	49,635
	Tax Audit	22,060	22,060
	Sales Tax fees, Certification & Others	38,605	19,354
		1,10,300	91,049
VII	Expenditure in Foreign Currency :		
(i)	Import Purchase (On C.I.F Value)	NIL	NIL
		NIL	NIL
VIII	Earning in Foreign Currency :		
(i)	Earnings from export (on FOB Value)	NIL	NIL

IX Capacity, Production, Stock, Sales and Consumption :

(A) Quantitative information in respect of goods produced :

Item	Unit	Licenced 2009-10	Installed 2009-10	Production 2009-10
Motor Car Parts	Pcs.	(15.12 Lacs)	(15.12 Lacs)	9,863
		(15.12 Lacs)	(15.12 Lacs)	(8,883)

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

(B) Sales During The Year :

31.03.2010				31.03.2009	
Items	Unit	Qty	Value (Rs.)	Qty	Value (Rs.)
C.R. / H.R. Sheets	MT.	71700.428	35,28,63,264	4593.269	17,69,82,967
	PCS.	35	25,88,850	NIL	0
Motor Vehicle Parts	LOT	0	29,43,000	NIL	0
	PCS.	9,811	41,01,219	8,937	77,58,887

		IMPORTED	INDIGENOUS	TOTAL
(a)	Raw Material Consumed :			
	Percentage	0.05%	99.95%	100%
		(0.15%)	(99.85%)	(100%)
	Quantity (MT)	0.025	47.613	47.638
		(0.130)	(84.332)	(84.462)
	Value (Rs.)	10,871	14,40,242	14,51,113
		(56,529)	(25,47,365)	(26,03,894)
(b)	Assemblies & Parts			
	Value (Rs.)	23,21,384	9,61,473	32,82,857
		(0)	(8,89,295)	(15,39,085)
	Percentage	70.71%	29.29%	100%
		(42.22%)	(57.78%)	(100%)
(c)	Stores & Spares			
	Value (Rs.)	-	23,79,074	23,79,074
		(-)	(15,92,840)	(15,92,840)
	Percentage	-	-	-
		(-)	(100%)	(100%)
(d)	Cost of Resale			
	Value (Rs.)			33,49,95,139
				(17,60,48,944)
	Quantity (NOS & MT)			71700.428
				(4593.269)



(D) Closing Stock During The Year :

Items	31.03.2010			31.03.2009	
	Unit	Qty	Value (Rs.)	Qty	Value (Rs.)
Finished Goods/Work In Progress	PCS	3,303	12,17,694	3,571	14,43,095
Raw Materials/ Parts	MT.	323,390	1,03,57,836	341.458	1,08,59,397
	NOS	653,722	61,78,421	616,433	85,17,673
Scrap	MT.	38.367	2,30,202	38.367	2,30,202
Stores & Spares		0	7,03,271	0	11,04,921
Forging & Structure Stock	NOS	0	0	35	28,63,000
	MT.	0	0	2807.480	1,49,08,758
	LOT	0	3,10,74,163		

Related Party Disclosure (As Identified by the Management)

X Related Party Relationship

(a)	Where control exists	Nasik Super Market Co. Pvt. Ltd. Spectra Motors Ltd. Veebee Associates
(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 31st March, 2010 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 2009-2010 (Rs.)	Amount Outstanding as on 31.03.2010 (Rs.)
Where Control Exists	Advance Taken	1,55,00,000	Nil
	Trade Advance	Nil	Nil
	Purchase	4,262	Nil
	Sales	2,63,752	Nil
	Services	150	Nil
Management Personnel	Remuneration	6,26,439	Nil
Relatives of Key Management personal	Sitting Fees	4,500	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 st March 2010	31 st March 2009
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.	0.82	(1.69)



Earning per Share (Basic and Diluted)	Rs.	0.82	(1.69)
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)

Membership No : 17679

Place : Mumbai

Date: 28th May, 2010

For and on behalf of the Board

Bharat Bhushan Gupta - Chairman
Vinod Kumar Gupta - Managing Director
A. M. Arondekar - Director
Prabhjot Singh Chandok - Director
Sanjeev Chirania - Director
Jaidev Gupta - Director
C J Kotcher - Director

Amita Champawat (Vageriya)
Company Secretary

Annexure – I To Clause I of Schedule 14

Segmentwise Revenue, Results and Capital Employed For The Year Ended 31ST March 2010.

(Amount In Rs.)			
Sr.No.	Particulars	Year Ended 31 ST March 2010 Audited	Year Ended 31 ST March 2009 Audited
1)	Segment Revenue		
	A) Sheet Metal Press Parts	42,41,089	79,95,326
	B) Trading Of Steel / Scrap	35,83,95,114	17,69,82,967
	C) Others	70,834	28,48,668
	Total	36,27,10,037	18,77,26,961
2)	Segment Results		
	[Profit/(Loss) before tax and interest from each segment]		
	A) Sheet Metal Press Parts	(1,03,07,020)	(54,40,098)
	B) Trading Of Steel / Scrap	2,13,50,776	(1,11,324)
	C) Others	70,834	28,48,668
	Total	1,11,17,590	(27,02,754)
	Less : Interest Expenses	26,86,261	65,90,491
	Other unallocable expenditure (net of unallocable income)	21,83,443	29,96,833
	Total Profit Before Tax	62,44,886	(1,22,90,078)
3)	Capital Employed		
	(Segment Assets – Segment Liabilities)		
	A) Sheet Metal Press Parts	6,42,54,595	6,94,33,963
	B) Trading Of Steel / Scrap	5,98,02,815	5,76,75,439
	C) Unallocable Capital Employed	2,58,04,232	2,79,36,911
	Total	14,98,61,642	15,50,46,313



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 **31.03.2010**

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

PUBLIC ISSUE NIL	RIGHT ISSUE NIL
Bonus Issue NIL	Private Placement NIL

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

Total Liabilities 159345	Total Assets 159345
Sources of Funds	Reserve & Surplus 43036
Paid Up Capital 70785	Unsecured Loan NIL
Secured Loan 36040	
Deferred Tax Liability 9484	
Application of Funds	Investments 9833
Net Fixed Assets 40076	
Net Current Assets 109436	Miscellaneous Expenditure NIL
Accumulated Losses NIL	

IV Performance of Company (Amount In Rs. Thousand)

Turnover 362707	Total Expenditure 356462
Profit Before Tax 6245	Profit After Tax 5788
Earning per Share In Rs. 0.82	Dividend Rate % NIL

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

Bharat Bhushan Gupta	- Chairman
Vinod Kumar Gupta	- Managing Director
A. M. Arondekar	- Director
Prabhjot Singh Chandok	- Director
Sanjeev Chirania	- Director
Jaidev Gupta	- Director
C J Kotcher	- Director

Place : Mumbai
Date: 28th May,2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Pursuant to Listing Agreement with Stock Exchanges)

(Amount In Rs.)

PARTICULARS	Year Ended 31.03.2010		Year Ended 31.03.2009	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		6,244,886		(12,288,338)
Adjustments for:				
Depreciation	3,746,510		3,887,197	
Interest Received	(210,174)		(80,454)	
Write Offs	-	3,536,336	-	3,806,743
	165,716		-	
(Profit) / Loss on Sale of Fixed Assets	2,686,261		6,590,491	
Interest Paid				
Less : Interest Dividend & Rent Received	(31,000)		-	
Depreciation for Earlier Year	-		-	
Income Tax for Earlier Year	-	2,820,977	422,740	7,013,231
Operating Profit before Working Capital changes :		12,602,199		(1,468,364)
Adjustments for:				
Inventories		(10,134,54)		1,985,452
Trade and other Receivables		(120,680,978)		51,102,053
Trade Payables		162,039,020		(13,028,366)
Cash generated from Operations		43,825,700		38,590,775
Direct Taxes Paid (Net Of Refunds)		(608,266)		75,168
Interest Paid		-		-
Cash Flow before Extraordinary Items				
Income Tax Earlier Year		-		(422,740)
Depreciation Earlier Year		-		-
NET CASH FROM OPERATING ACTIVITIES		43,217,434		38,243,203
B CASH FLOW FROM INVESTMENTS ACTIVITIES				
Purchase of Fixed Assets		-		(74,750)
Sale of Fixed Assets		50,000		-
Purchase of Investments		-		-
Sale of Investment		-		-
Interest Received		210,174		80,454
Dividend Received		-		-
Rent Received		31,000		-
NET CASH FROM INVESTMENTS ACTIVITIES		291,174		5,704
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital		-		-
Proceeds from Borrowings		-		-
Interest Paid		(2,686,261)		(6,590,491)
NET CASH FROM FINANCING ACTIVITIES		(2,686,261)		(6,590,491)
NET INCREASE IN CASH AND CASH EQUIVALENTS		40,822,347		31,658,416
Cash and Cash Equivalents Opening Balance :				
Cash and Bank Balance	32,584		4,562,750	
Cash Credit Accounts	(10,973,061)	(10,940,477)	(47,161,643)	(42,598,893)
Cash and Cash Equivalents Closing Balance :				
Cash and Bank Balance	12,632,506		32,584	
Cash Credit Accounts	(17,249,364)	(29,881,870)	(10,973,061)	(10,940,477)

For and on behalf of the Board

Bharat Bhushan Gupta - Chairman
Vinod Kumar Gupta - Managing Director
A. M. Arondekar - Director
Prabhjot Singh Chandok - Director
Sanjeev Chirania - Director
Jaidev Gupta - Director
C J Kotcher - Director

Place : Mumbai
Date: 28th May, 2010

Amita Champawat (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, 2010, 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 : 28th May, 2010

DINESH K. ROONGTA
(Proprietor)
Membership No : 17679



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 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 Eighteenth Annual General Meeting to be held on Friday, the 27th day of August 2010 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2010.

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

--

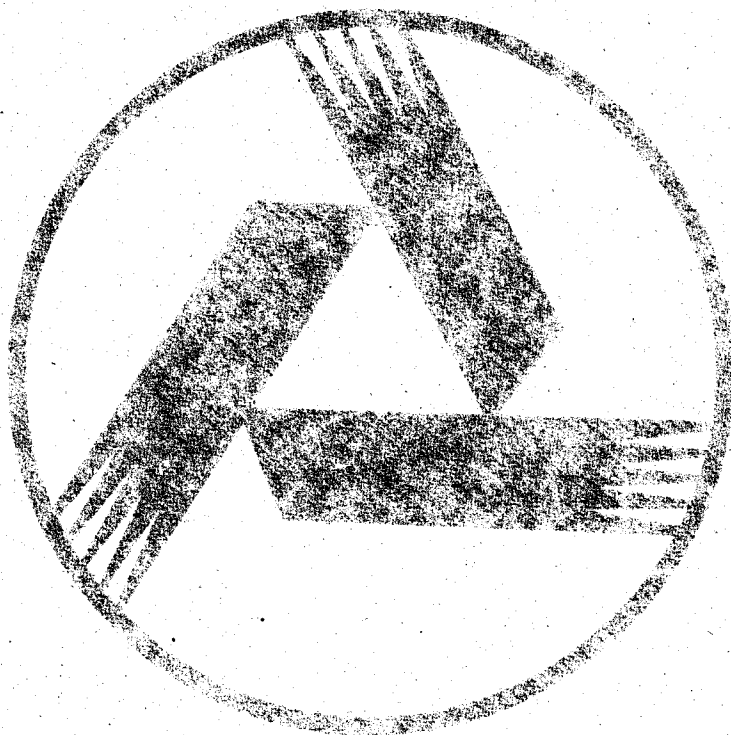
No. of shares held _____

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company held on FRIDAY, THE 27TH DAY OF AUGUST 2010 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.