

# 28<sup>th</sup> ANNUAL REPORT 2012-13



**SPECTACLE**  
INFOTEK LTD.

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS:**

Shri Tejesh Kumar Kodali – Chairman & Managing Director  
Shri Shaikh Fazal Mehmood - Vice Chairman & Jt. Managing Director  
Shri Tushar Mathuria - Additional Director  
Shri Dharmendra Archaratlal Parekh - Additional Director

### **Registered Office:**

No. 1, 1st Floor,  
22/24/26, Shipping House, Kumpta Street,  
Fort, Mumbai - 400 001  
Tel.: 2265 6051 / 52  
Fax : 2265 8489  
E-mail : info@specinfotek.com

### **AUDITORS :**

Jatin Shah  
Chartered Accountant  
261/263, Dr. D. N. Road, 4Th Floor,  
Fort, Mumbai – 400001.  
Tel. 32948140, Telefax 22610775  
E-mail : cajatinshah@yahoo.com

### **COMPANY SECRETARY :**

Rohit Kudtarkar

### **BANKERS :**

Axis Bank Limited.  
Central Bank of India  
Union Bank of India

### **REGISTRARS & SHARE TRANSFER AGENTS :**

Sharex Dynamic (I) Pvt. Ltd.  
Unit No. 1, Luthara Ind., Premises, Andheri Kurla Road,  
Safed Pool, Andheri (East), Mumbai - 400 072.  
Tel. : +91-22-2851 5606 / 2851 5644  
E-Mail : sharexindia@vsnl.com

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**NOTICE**

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of **Spectacle Infotek Limited (Formerly known as "Spectacle Industries Limited")** will be held on Monday the 30th Day of September, 2013 at the Registered Office of the Company at Office No. 1, 22/24/26, Shipping House, 1st Floor, Kumpata Street, Fort, Mumbai – 400001, at 10:00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, and adopt the Audited Accounts for the financial year ended 31st March, 2013 along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tushar V. Mathuria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Mr. Jatin Shah, Chartered Accountants, Mumbai, (Membership No: 103858 as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification, the following resolution as 'Special Resolution':

**"RESOLVED THAT** pursuant to the provisions of Section 21 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof, for the time being in force) and subject to the approval of the Central Government, consent of the Company be and is hereby granted for changing the name of the Company from "Spectacle Infotek Limited" to "Spectacle Ventures Limited".

**"RESOLVED FURTHER THAT** the name "Spectacle Infotek Limited" wherever it appears in the Memorandum of Association and Article of Association of the Company or elsewhere, shall be amended to read as "Spectacle Ventures Limited".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary to give effect to the above resolution".

**Registered Office:**

**By order of the Board**  
**Office No. 1, 22/24/26,**  
**Shipping House, 1st Floor,**  
**Kumpta Street, Fort,**  
**Mumbai – 400 001**

Date: 14th August, 2013,  
 Place: Mumbai

**By order of the Board**  
**Sd/-**  
**Rohit Kudtarkar**  
**Company Secretary**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2013 to 30th September, 2013 (Both days inclusive)
4. Members/Proxies should bring duly filled attendance slips to attend the meeting.
5. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under items 4 set out above is annexed hereto.
6. Members whose shareholding is in electronic mode are requested to direct change of address notification to their respective Depository Participants.
7. The Register of Directors' Shareholding Register of Proxies and Statutory Auditors' would be available for inspection by the Members, at the Meeting. All documents referred to in the accompanying Notice and Explanatory Statement are also open for inspection by the Members at the Registered Office of the Company on any day between 10.00 a.m. to 12.00 p.m. except Saturday, Sunday and Public Holiday up to the date of Annual General Meeting.

**Additional information on Directors seeking re-appointment at the forthcoming Annual General Meeting as per clause 49 of the Listing Agreement:**

Name of Director	Mr. Tushar V. Mathuria
Age	53 Yrs.
Qualification	Under Graduate
Relationship with other Directors	None
Expertise in specific functional area	Graphic and Page Designing
Other Directorship in public companies as on 31.03.2013	N.A.
Chairman/member of the committees in other Companies in which he is a Director	N.A.
No. of Shares held in the Company	Nil

**ANNEXURE TO THE NOTICE**
**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.**

The following Explanatory Statement sets out the material facts relating to the business under items 4 of the accompanying Notice:

**Item No. 4**

The Shareholders may be aware that the Company has recently entered in to a Joint venture Agreement with Motion Pixel Corporation Holding Inc. Florida-based animation company with a high-end media and animation studio with operations in Costa Rica, Florida, and present activities of the Company include Information technology, multimedia, networking services, supplying, trading etc. The present name does not convey the magnitude of operations of the Company and expresses only part of its activities. With a view to ensure that the name of the Company adequately reflects the current business and the renewed focus in being global multimedia & IT Company, it is proposed to change the name of the Company from "Spectacle Infotek Limited" to "Spectacle Ventures Limited".

The Registrar of Companies, Mumbai, has confirmed the availability of proposed new name for registration. In accordance with provisions of Section 21 of the Companies Act, 1956, change in the name of any Company shall be subject to the approval of members by way of Special Resolution and further approval of the Central Government.

Your Directors recommend the resolution for acceptance by the members.

No Director of the Company is concerned or interested in this special resolution.

**Registered Office:**  
**By order of the Board**  
**Office No. 1, 22/24/26,**  
**Shipping House, 1st Floor,**  
**Kumta Street, Fort,**  
**Mumbai – 400 001.**

By order of the Board  
 Sd/-

Date: 14th August, 2013  
 Place: Mumbai

Rohit Kudtarkar  
 Company Secretary

**Important Communication:** The Ministry of Corporate Affairs has taken a "Green Initiative" by allowing service of notice/documents including Annual Report by e-mail to members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or alternatively send an email to the Company at [info@specinfotek.com](mailto:info@specinfotek.com) or the Registrars and Share Transfer Agent at [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

## DIRECTOR'S REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2013. The financial results of the Company are summarized below:

### FINANCIAL RESULTS:

PARTICULARS	2012-13 AMOUNT (RS.)	2011-12 AMOUNT (RS.)
Profit before Depreciation & Taxation	(1923438.00)	4393760
Less: Depreciation	682903.00	779994.00
Profit for the year before taxation	(2606341.00)	3613766.00
Less : Provision for taxation -		
Current tax	0.00	3002007.00
Deferred tax	(174997.00)	59756.00
Profit after tax	(2431344.00)	552003.00
Add: Brought forward from last year	18590168.00	18038165.00
Net Profit Carried to Balance Sheet	16158824.00	18590168.00

### FINANCIAL PERFORMANCE:

During the year under review, your company has not carried out any operational activity on standalone basis and Net loss for the financial year ended March 31, 2013 was Rs. 24,31,344/-. On consolidated basis, the total consolidate income of your Company for the year under review is Rs. 517,013,486/- and consolidated loss before tax stood at Rs. 124,080,389/- as against previous year profit before tax of Rs. 4,294,287/-.

### DIVIDEND:

Your Directors do not recommend payment of any dividend during financial the year.

### MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE;

As required under Clause 49 of the Listing Agreement, Reports on Management Discussion and Analysis and Corporate Governance together with the Certificate of Auditors on Corporate Governance are provided separately in the Annual Report and forms part of Directors' Report.

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Tushar V. Mathuria retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

During the financial year, Mr. Dharmendra A. Parekh, was appointed as an additional Director with effect from 14th August, 2012 and Mr. Dileep V Mehta, has resigned as

Director of the Company with effect from 27th November, 2012.

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and the directors have 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 as at 31st March, 2013 and of the profit and loss of the Company for the year ended 31st March, 2013;
- Proper and sufficient care has been taken 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;
- The annual accounts have been prepared on a going concern basis.

### FIXED DEPOSIT:

The Company has not invited or accepted any deposits during the financial year.

### AUDITORS:

Mr. Jatin Shah, the Statutory Auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under section 224 (1) (B) of the Companies Act, 1956. Your Directors recommend reappointment Mr. Jatin Shah, as Auditors of the Company, at the ensuing Annual General Meeting.

### COMMENTS ON AUDITOR'S REPORT:

As regards Point 7 of the annexure to the Auditors report, the directors are looking after the day-to-day business of the Company and expenditure on formal internal audit system is not warranted. However your company is in process of appointing an internal auditor or will setup a separate internal audit system.

As regards Point 10 of the annexure to the Auditors report, The Company has incurred cash losses during the year mainly due to lower volumes, prevailing uncertain economic environment and liquidity shortage, lower absorption of fixed overheads etc. There were no cash losses in the preceding financial year and in coming

time, the revenues and profitability of the Company are expected to improve.

#### **PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):**

The Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988, as amended are not applicable to the Company, as there are no employees whose remuneration is in excess of the limits prescribed under the afore-said proviso.

#### **LISTING:**

The Equity Shares of the Company are at present listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is generally regular in payment of listing fee.

#### **CASH FLOW STATEMENT:**

In conformity with the provisions of Clause 32 of the Listing Agreement and requirements of Companies Act, 1956, the Cash Flow Statement for the year ended 31.3.2013 is annexed here to.

#### **SUBSIDIARIES:**

Your Company has two subsidiaries namely Amsol Inc., USA and United Consultancy Services Inc., USA and there has been no material change in the nature of business of the subsidiaries.

According to the provisions of Section 212 of the Companies Act, 1956, the Balance sheet of above subsidiaries attached to this report.

#### **CONSERVATION OF ENERGY:**

Although the operations of the Company are not energy intensive, the management is highly conscious of the criticality of the conservation of energy at all operational

levels. The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company and hence are not provided.

#### **FOREIGN EXCHANGE EARNING AND EXPENDITURE**

Foreign exchange used	NIL
Foreign exchange earned	NIL

#### **ACKNOWLEDGEMENT:**

Your directors take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

For and on behalf of the Board of Directors  
Sd/-

**Shaikh Fazal Mehmood**  
Vice Chairman & Jt. Managing Director

Sd/-  
**Tushar V. Mathuria**  
Director

Dated: 30th May, 2013  
Place: Mumbai



## MANAGEMENT ANALYSIS & DISCUSSION REPORT

### 1) **Industry structure & developments.**

The earlier trend of smaller companies being marginalized has continued in the year under review. Another distinct trend during the year has been the preference of foreign companies to outsource their entire IT needs to the larger companies and get them to setup large offshore operations to support these contracts.

### 2) **Opportunities and threats.**

Though the overall scenario for the smaller companies is extremely competitive, there are some niche areas where there are some opportunities for growth. The management is exploring these areas to consider entering these areas and develop expertise in such areas.

### 3) **Segment wise or product wise performance.**

Not Applicable

### 4) **Outlook**

The management is doing its best to forge relations with other companies and take the company forward in the new business lines. However, the outlook of the management is cautious in view of the competitive nature of the market.

### 5) **Risk and concerns**

While venturing into new business lines, the company would need access to funds. The risk of not being able to raise funds at the time needed is the biggest risk that the management foresees

### 6) **Internal control systems and adequacy**

As an extension of above, there's a machinery function to regulate and control the expected parameters to ensure a first class work situation and consequent quality output.

### 7) **Discussion on financial performance with respect to operational performance.**

In view of the fall in extent of operations and the delay in materialization of the new business lines, the revenue of the company has seen a further dip. Also, the management has decided to adopt even more prudential accounting norms as a matter of conservative accounting. This measure, which will definitely help the company in the future, has led to certain write offs

### 8) **Material development in Human Resources/ Industrial relation**

In the field that we are in, it's a must that we tune well with the changes around which not only mean changes in product lines as required but also realignment of the human resources available in order that the Company moves ahead in the competitive environment.

### **CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



## **REPORT ON CORPORATE GOVERNANCE**

### **(Pursuant to Clause 49 of the Listing Agreement entered into with the stock exchanges)**

#### **1. COMPANY'S PHILOSOPHY:**

The Company's philosophy on Corporate Governance is driven by its desire towards attainment of the highest levels of transparency, professionalism, accountability and equity, in all facts of its operations and all its interaction with its stakeholders including shareholders, employees, the government and lenders. The Company believes that all its operations and actions must serve the underlying goals of enhancing overall enterprise value and safeguarding the shareholders' trust. Our governance practices seek to go beyond statutory and regulatory requirements. Our endeavour is to follow the spirit of good corporate governance rather than the mere letter of the conditions specified by regulatory authorities.

#### **2. BOARD OF DIRECTORS:**

##### **a) Composition of the Board and Board Meetings of Directors:**

The current strength of the Board of Directors of the Company is Four, of which, Two Non-Executive and

independent Directors. The Chairman of the Board is Executive Director. The composition of Board is in conformity with Clause 49 of the listing agreement.

As mandate by Clause 49, none of the Directors are members of more than 10 committees of public limited Indian companies; nor are they Chairman of more than 5 committees in which they are members. The composition of the Board and their attendance in Board meetings as on 31st March, 2013 are given in table

Further, During the financial year 2012-13, Seven Board Meetings were held on 03rd May, 2012, 30th May 2012 (Further adjourned to 01st June, 2012), 14th August, 2012, 29th August, 2012, 12th November, 2012, 20th December, 2012 and 14th February 2013,.

The last Annual General Meeting of the Company was held on 31st December, 2012. The Composition of the Board of Directors as on March 31, 2013 and details of attendance of Directors in Board Meetings and Annual General Meeting are as follows:

Name	Designation	Category	Attendance at		*No. of Directorships in other public companies	No. of Committee positions in other public Companies	
			Board Meeting	Last AGM		Chairman	Member
Mr. Tejesh Kumar Kodali	Chairman & Managing Director	Non-Independent & Promoter	3	No	3	---	---
Mr. Shaikh Fazal Mehmood	Vice Chairman & Jt. Managing Director	Non-Independent & Promoter	7	Yes	---	---	---
Mr. Dileep V. Mehta	Non-Executive Director	Independent	4	No	---	---	---
Mr. Tushar V. Mathuria	Non-Executive Director	Independent	5	Yes	---	---	---
Mr. Dharmendra Acharatlal Parekh	Non-Executive Director	Independent	4	Yes	---	---	---

\*Excluding directorships in private, foreign companies and companies which are granted license under Section 25 of the Companies Act, 1956.

The necessary disclosure regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all companies in which they are Directors.

**b) Appointment / Re-appointment of Directors:**

The profiles of Directors who are seeking re-appointment/appointment at the Annual General Meeting are given in the Notice calling Annual General Meeting of the Company.

**3. BOARD COMMITTEES:** The Board has constituted the following committees of Directors:

- I) Audit Committee
- II) Remuneration Committee
- III) Shareholders' Grievance Committee

**I. AUDIT COMMITTEE:**

**a. Composition:**

The Audit Committee comprises of three Directors, namely

Names of Directors	Category
Mr. Dileep V. Mehta*	Chairman
Mr. Tushar Mathuria	Member
Mr. Dharmendra A. Parekh	Member

**b. Terms of reference:**

- (a) Review of the Company's financial reporting process and financial statements.
- (b) Review of accounting and financial policies and practices.
- (c) Review of Internal control systems.
- (d) Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- (e) Reviewing the Company's financial and risk management policies.

The Statutory Auditors are invitees to the Meeting.

**c. Powers of Audit Committee:**

The Audit Committee has the following powers:

- i) To investigate any activity within its terms of reference;
- ii) To seek information from any employee;
- iii) To obtain outside legal or other professional advice;
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**d) Audit committee Meetings and Attendance:**

The Committee has met 4 times during the financial year ended 31st March 2013 i.e. on 30th May 2012, 14th August, 2012, 12th November, 2012, and 14th February, 2013

Details of attendance of each Director at the Audit Committee Meetings are given below:-

Name of the Director	Position	Meeting attendance
Mr. Dileep V. Mehta*	Chairman	2
Mr. Tushar Mathuria	Member	4
Mr. Dharmendra A. Parekh	Member	2

**II. REMUNERATION COMMITTEE:**

**a) Composition and attendance :**

The Remuneration Committee comprised of three Non-Executive Directors, namely Mr. Dileep V. Mehta\* (Chairman of the Committee), Mr. Tushar V Mathuria and Mr. Dharmendra A. Parekh as members of the Committee.

- During the financial year, committee did not have any meeting as there were no issues concerning the remuneration of whole-time/executive Directors.

**b) Terms of Reference:**

The broad terms of reference of the committee are to appraise the performance of Managing Director and whole time directors, determine and recommend to the Board compensation payable to Managing Director and whole time directors. The remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

**c) Remuneration Policy:**

Subject to the approval of the Board of Directors and subsequent approval by the members at the General Meeting and such authorities as the case may be, remuneration of Managing Director and Whole time Directors, is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.,

- \* Mr. Dileep V. Mehta has resigned as Director of the Company w.e.f. 27.11.2012

**III. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE:**

**a) Composition and attendance:**

The Shareholders Grievance Committee comprised of Two Executive and One Non Executive Directors, namely Mr. Shaikh Fazal Mehmood (Chairman of the Committee), Mr. Tejesh Kumar Kodali and Mr. Dharmendra A. Parekh as a members of the Committee.

The Board has delegated the powers to approve transfer of shares etc., to this Committee of Three (3) Directors. The quorum for functioning of the committee is any two (2) directors present, no meeting of the committee was held during the year.

**Information on Investor Grievances for the period from 1st April, 2012 to 31st March 2013:**

There are no complaints received from shareholders during the year. The Company has no transfers pending at the close of the financial year.

**b) Terms of Reference:**

The Company has a Shareholders/Investors Grievance Committee to look into redress of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.,

The committee deals with various matters relating to:

- Transfer / transmission of shares
- Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios
- Review of shares dematerialized and all other related matters.
- Investors grievance and redressal mechanism and recommend measures to improve the level of investors services.

**d) Compliance Officer:**

Mr. Shaikh Fazal Mehmood, Vice Chairman & Jt. Managing Director is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & NSE.

**4. GENERAL BODY MEETINGS:**

A. Particulars of General Meetings held during last three years:

i) Annual General Meetings:

Financial Year	Location	Date	Time
2009-2010	S-19, Suyog Industrial Premises Co-Op society Ltd, 1st Floor, L B S Road, Vikhroli (W), Mumbai – 400083	18th September, 2010	10.30A M
2010-11	401, "Arcadia", 4th Floor, 195, Nariman Point, Mumbai - 400 021	30th September, 2011	10.00A.M.
2011-12	Office No. 1, 22/24/26, Shipping House, 1st Floor, Kumpita Street, Fort, Mumbai – 400001	31st December, 2012	10.00A.M.

ii) Special Resolutions passed at the Last three AGM

Financial Year	Particulars of Special Resolutions passed
2009-2010	1. Appointment of Mr. Shaikh Fazal Mehmood as Managing Director for a period of 5 years.
	2. Appointment of Mr. Ramesh Gorantla as Executive Director liable to retire by rotation.
	3. Appointment of Mr. Tejesh Kumar Kodali as Executive Director for a period of 5 years.
2010-11	1. Appointment of Mr. Asokan Ganapathy, as Executive Director liable to retire by rotation.
2011-12	-----

No Extraordinary General Meetings was held during the Financial Year ended 2012-13. However an Extraordinary General Meetings was held on 16th October, 2010, in which the members of the Company passed a Special Resolution for Change of name of the company and to commence the business as set out in sub clauses 1(b) & 1(c) of Clause III (A) of the Memorandum of Association of the Company.

**Postal Ballot:**

There were no ordinary or special resolutions that need to be passed by the shareholders through a postal ballot for the financial year ended March 31, 2013.

**5. OTHER DISCLOSURES:**

- There have been no materially significant related party transactions, pecuniary transactions or relationship between your Company and the Directors, Management, subsidiaries or relatives except for those disclosed in the financial statement for the year ended 31st March, 2013.
- In terms of Clause 49 of the Listing Agreement(s), the Company has adopted a Code of Conduct for the board of Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website. The Declaration by the Chairman of the Company forms part of this Report.

- c. The Company has adopted the Employees Share dealing code in terms of the SEBI (prohibition of Insider Trading) Regulations 1992. This code is applicable to all Directors and designated Employees. The Code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.
- d. There was no non-compliance during the financial year and no penalties were imposed on the Company by the Stock Exchange, SEBI or any other statutory authority. The Company obtained a certificate from the statutory auditor of the Company with respect to compliance with the conditions of corporate governance and annexed the certificate with the Directors' Report and sent the same to all the shareholders of the Company and to all the concerned Stock Exchanges alongwith the annual reports filed by the Company.

## 6. MEANS OF COMMUNICATION:

### a. Quarterly un-audited Financial Results were publishes during the Financial year as follows:

Financial Result	Un-Audited / Audited	News Papers
First Quarter	Un-Audited	The Asian Age & Aapla Mahanagar
Second Quarter	Un-Audited	The Asian Age & Aapla Mahanagar
Third Quarter	Un-Audited	The Asian Age & Aapla Mahanagar
FourthQuarter/Full year	Audited	Business Standard & Mumbai Mitra

The Board of Directors of the Company approved and took on record the Un-Audited / Audited financial results within forty five days of closer of quarter / half year and communicated these results to all Stock Exchanges where the shares of the Company are listed and published in news papers as indicated above.

Note: Un-audited Financial Results were intimated to Stock Exchanges with in forty five days of close of first three quarters and Audited Financial Results for the last quarter / financial year ending within 60 days of close of financial year.

### b. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report forms part of the Director's Report. All the matters relating to Industry Structures and Development, Opportunities and Threats, Risks and Concerns, Internal Control System and its adequacy, Discussion on financial performance with respect to operational performance, Human Resources Development and Industrial Relations are discussed in the Director's Report.

## 7. GENERAL SHAREHOLDER INFORMATION:

### (i) Annual General Meeting

Day, Date and Time: Monday, 30th day of September, 2013 at 10.00 a.m.

Office No. 1, 22/24/26, Shipping House, 1st Floor, Kumpta Street, Fort, Mumbai – 400001

### (ii) Financial Calendar 2013 - 14 (Tentative)

Results for the quarter ending 30th June 2013	: Second week of August, 2013
Results for the quarter ending 30th Sep. 2013	: Second week of November, 2013
Results for the quarter ending 31st Dec. 2013	: Second week of February, 2014
Results for the year ending 31st Mar. 2014	: Last week of May, 2014

(iii) Book Closure Date : 23.09.2013 to 30.09.2013 (Both the days inclusive)

(iv) Registered Office : Office No. 1, 22/24/26,  
Shipping House, 1st Floor,  
Kumpta Street, Fort, Mumbai – 400001

(v) Equity shares listed on Stock Exchanges at : 1. Bombay Stock Exchange Limited (BSE)  
2. National Stock Exchange of (India) Limited (NSE)

Note: The Company is in process of payment of Annual listing fee to the above Stock Exchanges where shares are listed up to 31st March, 2014.

**(vi) Stock Code:**  
**Trading Symbol at**

: 1. BSE -- 512413  
 2. NSE – SPECTACLE

**Demat ISIN Number in NSDL & CDSL: Equity Shares INE409H01028**

**(vii) Stock Market Data (in Rs. / per share)**

Stock Exchanges	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
Period	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr. 2012	4.10	3.35	4.20	3.50
May 2012	4.25	3.16	4.00	3.20
Jun. 2012	3.99	2.66	4.00	2.85
Jul. 2012	3.95	2.86	3.95	2.60
Aug. 2012	4.53	3.00	4.30	3.00
Sep. 2012	3.59	2.65	3.80	2.50
Oct. 2012	3.55	2.56	3.30	2.65
Nov. 2012	3.50	2.35	3.10	2.55
Dec. 2012	2.95	2.52	3.15	2.55
Jan. 2013	3.00	2.10	3.00	2.10
Feb. 2013	2.65	2.02	2.90	1.85
Mar. 2013	2.35	0.92	2.25	0.90

**(viii) Registrars and Transfer Agents:**  
 (Share transfer and communication regarding share certificates, Dividends and change of address)

**Sharex Dynamic (India) Pvt. Ltd.**  
 Unit No. 1, Luthra Ind. Premises,  
 Andheri Kurla Road, Safed Pool,  
 Andheri (E), Mumbai 400 072.

**(ix) Share Transfer System:**

Presently, the share transfers in physical form are processed and the share certificates returned within a period of 15 to 20 days from the date of receipt of the document, subject to the documents being clear in all respects. The Board has delegated the authority for approving the transfers to the RTA subject to approval by Grievance Committee.

Shareholders Grievances and other miscellaneous correspondence on change of address, mandates etc., received from members are generally processed by RTA of the company within 15 to 20 days.

The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47c of the Listing Agreement and files a copy of the certificate with BSE and NSE.

**(x) DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH 2013.**

Range of Shareholding	No. of Shareholders	% of Total Shareholders	Nominal Value	% of Total
1-5000	2813	88.77	2262267.00	4.40
5001-10000	145	4.58	1128074.00	2.19
10001-20000	81	2.56	1179147.00	2.29
20001-30000	23	0.73	575560.00	1.12
30001-40000	16	0.50	560251.00	1.09
40001-50000	12	0.38	558284.00	1.09
50001-100000	26	0.82	1940831.00	3.77
100001 and above	53	1.67	43245586.00	84.05
<b>Total</b>	<b>3169</b>	<b>100</b>	<b>51450000.00</b>	<b>100</b>

**(xi) Shareholding Pattern (Category Wise) as on 31st March 2013:**

Category	No. of Shares	Percentage
Promoters	8360650	16.25
Venture Capital Funds/Mutual Funds / UTI & Banks	301001	0.59
Private Corporate Bodies	22345793	43.43
Resident Individuals	20127833	39.12
NRI's / FIIs	296844	0.58
Clearing Members	17879	0.03
<b>Total :</b>	<b>51450000</b>	<b>100.00</b>

**(xii) Dematerialization of Shares & Liquidity:**

Approximately 99.96% of the Equity Shares have been dematerialized upto 31st March, 2013 and Shares of the Company are frequently traded.

Trading in Equity shares of the Company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board, India (SEBI).

**(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:**

As on March 31, 2013, the Company does not have any outstanding GDRs/ADRs/Warrants on any convertible instruments.

**INVESTOR CORRESPONDENCE FOR TRANSFER / DEMATERILISATION OF SHARES AND ANY OTHER QUERY RELATING TO THE SHARES OF THE COMPANY:**

For shares held in Physical form:  
**Sharex Dynamic (I) Pvt. Ltd.**  
 Unit -1, Luthra Ind. Premises,  
 Andheri Kurla Road, Safed Pool  
 Andheri (E), Mumbai 400 072

For Shares held in Demat Form:  
 To the Depository Participant

**Any query on Annual Report:**

Spectacle Infotek Ltd.  
 Office No. 1, 22/24/26,  
 Shipping House, 1st Floor,  
 Kumpta Street, Fort,  
 Mumbai – 400001  
 Tel: 022-22656051  
 Fax: 022-22656052  
 E-mail: info@specinfotek.com



**AUDITORS' REPORT ON CORPORATE  
GOVERNANCE**

**To,  
The Members,  
Spectacle Infotek Limited,**

I have examined the compliance of conditions of Corporate Governance by Spectacle Infotek Limited., for the year ended on 31st March, 2013 as stipulated in Clause 49 of Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance with the responsibility of the management. My examination was limited to procedure 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 my opinion and best of my information and according to the explanations given to me I certify that the company has complied with the conditions of corporate governance stipulated in the above mentioned listing agreement.

As required by the guidance note issued by the Institute of Chartered Accountant of India I have to state that no investor Grievances were pending for a period of one month against the company as per the record maintained by the share transfer- cum- investors Grievance Committee.

I 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.

Sd/-  
Jatin Shah  
Chartered Accountant  
Membership No. 103858

Place: Mumbai  
Date: 30th May, 2013.

**CEO CERTIFICATION**

To,  
The Board of Directors,  
**Spectacle Infotek Ltd.,**  
Office No. 1, 22/24/26,  
Shipping House, 1st Floor,  
Kumpta Street, Fort,  
Mumbai – 400001

I hereby certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) These are, to the best of our knowledge and belief, no transactions is entered into by the company during the year which is fraudulent illegal or volatile of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year.
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Spectacle Infotek Ltd.  
Sd/-

Shaikh Fazal Mehmood  
Vice Chairman & Jt.  
Managing Director

Place: Mumbai  
Date: 30th May, 2013

## INDEPENDENT AUDITOR'S REPORT

To  
 The Members Of  
 SPECTACLE INFOTEK LIMITED

### Report on the Financial Statements

I have audited the accompanying Financial Statements of **Spectacle Infotek Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies [Auditors report] Order 2003 ("the Order") issued by the Centeal Government of India in terms of section 227(4A) of the Act, I give in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order
2. As required by Section 227(3) of the Act, I report that:
  - a] I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit ;
  - b] In my opinion , proper books of account as required by law have been kept by the Company, so far as it appears from my examination of those books.
  - c] The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d] In my opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Act.
  - e] On the basis of written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Sd/-

JATIN SHAH

Place : MUMBAI  
 Date : 30th May, 2013.

CHARTERED ACCOUNTANT  
 MEMBERSHIP NO. 103858

### Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory requirements" of my report of even date

#### (1) In respect of Fixed Assets

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to me, these fixed assets have been physically verified by the management in a phased periodical manner. In my opinion the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (c) The Company has disposed off various fixed assets valued at Rs.338332/-, however it does not affect it's going concern status.

#### (2) In respect of it's Inventories;

- (a) As explained to me, inventories have been physically verified by management at reasonable intervals during the year. In my opinion, the frequency of such verification is reasonable.
- (b) In my opinion and according to the information and explanations given to me, 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 inventory and discrepancies noticed on physical verification as compared to the book records have been properly dealt with in the books of accounts.

#### (3) In respect of the Loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956;

- (a) The Company has not granted Loan to any parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans from Four parties covered In the register maintained under section 301 of the Act. The Maximum amount outstanding at any time during the year was Rs. 3,49,72,589/- and the balance outstanding as on 31st March, 2013 was Rs. 3,49,62,589/-.

(c) The rate of interest and other terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.

d) The Company has been regular in repaying principal amount and the Company is also regular in payment of interest wherever stipulated.

(e) There is no overdue amount of loans taken or granted to companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(4) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of the inventory and fixed assets and for the sale of goods & services. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in the internal control system.

(5) In respect of contracts or arrangements referred to in section 301 of the Companies act, 1956;

(a) According to the information and explanation provided by the management, I am of the opinion that all the particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Act have been so entered.

(b) According to the information and explanation provided by the management, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956. and exceeding the value of Rs. Five Lacs in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(6) As informed by the management during the year, the Company has not accepted any deposit from the public within the purview of section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

**(7) The Company does not have any formal internal audit system.**

(8) The Central Government has not prescribed maintenance of cost records under clause (c) of Sub-section (1) of section 209 of the Companies Act 1956, for any products of the Company.

## (9) In respect of Statutory dues;

- (a) According to the information & explanation given to me and the records of the company examined by me, the following dues of Income Tax, TDS, Professional Tax have not been deposited by the Company.

Name of Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which the amount relates
Income Tax Act, 1961	Income Tax	30,15,747/-	A. Y. 2011-12
Income Tax Act, 1961	Income Tax	30,02,207/-	A. Y. 2012-13
AP Profession Tax Act, 1967	Profession Tax	45,125/-	A. Y. 2012-13
Service Tax	Service Tax	5,94,423/-	A. Y. 2012-13
Income Tax Act, 1961	T.D.S.	8,14,944/-	A. Y. 2011-12
Income Tax Act, 1961	T.D.S.	6,90,522/-	A. Y. 2012-13
Income Tax Act, 1961	T.D.S.	1,18,220/-	A. Y. 2013-14

- (b) There are no amount of statutory dues that have not been deposited on account of disputed matters.

**(10) The company does not have any accumulated losses as at 31st March 2013 but has incurred cash losses during the financial year ended on that date.**

- (11) According to the records of the company examined by me and information & explanation given to me and based on the audit procedure applied by me, the company has not defaulted in repayment of its dues to any financial institution or bank or debenture holder, as at the Balance Sheet date.
- (12) 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 provisions of any special statute applicable to chit fund / nidhi / mutual benefit/ societies are not applicable to the company.
- (14) Based on my examination of the records and evaluation of the related internal controls, I am of the opinion that proper records have been maintained of the transactions and contracts relating to the shares, security, debentures and other investments.

I also report that the company has held the shares, securities, debenture & other investments in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.

- (15) According to information & explanation given to me, the Company has not given guarantee for loans taken by others from banks or financial institutions during the year.
- (16) According to information & explanation given to me, on an overall basis, prima facie, term loans were applied for the purpose for which the loans were obtained.
- (17) According to the information & explanation given to me, and based on the examination of Balance Sheet of the Company, prima facie, the funds raised on short term basis have not been used for long term investment.
- (18) According to the information and explanations given to me, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (19) The company has not issued any secured debentures during the year, and accordingly, no securities were required to be created.
- (20) The company has not raised any funds by way of a public issue during the year.
- (21) During the course of my examination of the books of the accounts and records of the company and according to the information & explanation given to me, no material fraud on or by the Company, has been noticed or reported during the year.

Sd/-

JATIN SHAH

Place : MUMBAI      CHARTERED ACCOUNTANT  
 Date : 30th May, 2013.      MEMBERSHIP NO. 103858

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SPECTACLE INFOTEK LIMITED**

### **Report on the Financial Statements**

I have audited the accompanying Financial Statements of Spectacle Infotek Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall

presentation of the Consolidated financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date.

### **Other matters**

I did not audit the financial statements of the subsidiaries. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to me and my opinion is based solely on the report of the other auditors.

Sd/-  
 Jatin Shah  
 Chartered Accountant

Membership No. : 103858  
 Place : Mumbai  
 Date : 30th May, 2013.



**BALANCE SHEET AS AT 31st MARCH, 2013**

Particulars	Note No	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	1	51,450,000	51,450,000
(b) Reserves and Surplus	2	16,158,824	18,590,168
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	34,962,589	24,526,930
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	4	350,000	10,720,501
(b) Trade payables		1,116,727,713	1,122,394,934
(c) Other current liabilities	5	12,538,424	3,005,302
(d) Short-term provisions	6	6,025,209	10,883,079
<b>Total</b>		<b>1,238,212,758</b>	<b>1,241,570,912</b>
<b>II.Assets</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	1,490,112	2,149,740
(ii) Intangible assets	7	-	271,768
(b) Non-current investments	8	23,867,621	23,867,621
(c) Deferred tax assets (net)		567,411	392,413
(d) Long term loans and advances	9	33,270,113	35,041,115
(e) Other non-current assets	10	-	89,840
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	11	1,162,812,806	1,163,035,555
(d) Cash and cash equivalents	12	80,545	365,123
(e) Short-term loans and advances	13	16,124,150	16,357,736
(f) Other current assets		-	-
<b>Total</b>		<b>1,238,212,758</b>	<b>1,241,570,912</b>

As per my report of even date attached

Sd/-  
**Jatin Shah**  
 Chartered Accountants  
 M. No. 103858  
 Proprietor  
 Date : 30th May, 2013  
 Place : Mumbai

**For and On behalf of the Board**

Sd/-  
 Shaikh Fazal Mehmood  
 Vice Chairman &  
 JT. Managing Director

Sd/-  
 Tushar Mathuria  
 Director

Sd/-  
 Rohit Kudtarkar  
 Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013**

Sr. No.	Particulars	Note No	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
I.	Revenue from operations	14	-	1,123,494,090
II.	Other Income	15	<b>2,059,774</b>	843,734
III.	<b>Total Revenue (I + II)</b>		<b>2,059,774</b>	1,124,337,824
IV.	<i>Expenses:</i>			
	Cost of Goods traded		-	1,102,336,040
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	16	<b>1,789,225</b>	8,958,343
	Financial costs	17	<b>176,109</b>	173,608
	Administrative Expense	18	<b>2,017,878</b>	8,476,073
	Depreciation and amortization expense	19	<b>682,903</b>	779,994
	<b>Total Expenses</b>		<b>4,666,115</b>	1,120,724,058
V.	Profit before exceptional and extraordinary items and tax (III - IV)		<b>(2,606,341)</b>	3,613,766
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		<b>(2,606,341)</b>	3,613,766
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		<b>(2,606,341)</b>	3,613,766
X.	Tax expense:			
	(1) Current tax		-	3,002,007
	(2) Deferred tax		<b>(174,997)</b>	59,756
XI.	Profit/(Loss) from the period from continuing operations (VII - VIII)		<b>(2,431,344)</b>	552,003
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discounting operations		-	-
XIV.	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV.	Profit/(Loss) for the period (XI + XIV)		<b>(2,431,344)</b>	552,003
XVI.	Earning per equity share:			
	(1) Basic		<b>(0.05)</b>	0.01
	(2) Diluted			
	The Accompanying notes are an integral part of Financial Statements	20		

As per my report of even date attached

Sd/-  
**Jatin Shah**  
 Chartered Accountants  
 M. No. 103858  
 Proprietor  
 Date : 30th May, 2013  
 Place : Mumbai

**For and On behalf of the Board**

Sd/-  
 Shaikh Fazal Mehmood  
 Vice Chairman &  
 J.T. Managing Director

Sd/-  
 Tushar Mathuria  
 Director

Sd/-  
 Rohit Kudtarkar  
 Company Secretary

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 1 Share Capital</b>		
Equity Share Capital		
Authorised Share capital		
6,00,00,000 Equity Shares of Rs. 1/- each	<b>60,000,000.00</b>	60,000,000.00
Issued, subscribed & fully paid share capital	<b>51,450,000.00</b>	51,450,000.00
5,14,50,000 Equity Shares of Rs. 1/- each		
Calls unpaid	-	-
Forfeited shares	-	-
	<b>51,450,000.00</b>	51,450,000.00
Preference Share Capital		
Authorised Share capital	-	-
Preference Shares		
Issued, subscribed & fully paid share capital	-	-
Calls unpaid	-	-
Forfeited shares	-	-
	-	-
<b>Total</b>	<b>51,450,000.00</b>	51,450,000.00

<b>A. Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting period</b>				
Particulars	No. of Shares	As at 31/03/2013	No. of Shares	As at 31/03/2012
At the beginning of the period	51450000	51450000	51450000	51450000
Outstanding at the end of the period	51450000	51450000	51450000	51450000
<b>B. Terms/Rights attached to Equity Shares</b>				
The Company has only one class of Equity shares having a par value of Re 1 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by shareholders.				
<b>C. The company has neither bought back nor forfeited any shares.</b>				
<b>D. Details of Shareholders holding more than 5% shares in the Company</b>				
Name of the Shareholder	No. of Shares	As at 31/03/2013 % of holding	No. of Shares	As at 31/03/2012 % of holding
BALAJI INFOTECH AND SOFTWARE PVT. LTD.	8360650	16.25%	8360650	16.25%
ARCADIA SHARE AND STOCK BROKERS PVT. LTD.	6,429,000	12.49%	6229000	12.11%
ARCADIA SHARE AND STOCK BROKERS PVT. LTD.	10,897,903	21.18%	10564400	20.53%

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 2 Reserves and Surplus</b>		
Surplus (i.e. balance in Statement of P & L)		
At the beginning of the year	18,590,167.95	18,038,165.00
Additions during the year	(2,431,344.09)	552,002.95
At the end of the year	16,158,823.86	18,590,167.95
<b>Total</b>	<b>16,158,823.86</b>	<b>18,590,167.95</b>
<b>Note: 3 Long-term borrowings</b>		
Secured		
Term Loans		
- from banks	-	1,881,708.00
- from other parties	-	-
Unsecured		
Term Loans		
- from banks	-	-
- from other parties	-	-
Loans and advances from related parties	34,962,588.50	22,645,221.50
Long term maturities of finance lease obligations	-	-
Other loans and advances (specifying nature)	-	-
<b>Total</b>	<b>34,962,588.50</b>	<b>24,526,929.50</b>
<b>Note: 4 Short-terms borrowings</b>		
Secured		
Loans repayable on demand		
from banks	-	-
from other parties	-	-
Unsecured		
Loans repayable on demand		
from banks	-	-
from other parties	-	370,501.24
Other loans and advances	350,000.00	10,350,000.00
<b>Total</b>	<b>350,000.00</b>	<b>10,720,501.24</b>
<b>Note: 5 Other current liabilities</b>		
Income received in advance	-	36,299.00
Other payables	10,275,093.34	823,989.00
Withholding taxes & Other liabilities		
Service tax	594,423.02	594,422.92
Professional tax payable	45,125.00	45,125.00
TDS payable	1,623,686.00	1,505,466.00
VAT payable	97.00	-
Current year taxes payable (Net of advance tax)	-	-
<b>Total</b>	<b>12,538,424.36</b>	<b>3,005,302</b>
<b>Note: 6 Short-term provisions</b>		
Provision for employee benefits	-	4,857,869.50
Others		
Provision for Dividend	7,455.00	7,455.00
Provision for Income Tax for the F.Y. 2010-11	3,015,747.00	3,015,747.00
Provision for Income Tax for the F.Y. 2011-12	3,002,007.00	3,002,007.00
T. D. S		
<b>Total</b>	<b>6,025,209.00</b>	<b>10,883,078.50</b>

**Note : 7 Tangible Assets & Intangible Assets**

Fixed Assets	Rate of Depreciation	Gross Block						Accumulated Depreciation					Net Block	
		As at 31 March 2012	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	As at 31 March 2013	As at 31 March 2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Deduction	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
<b>Tangible Assets</b>														
Computers and accessories	40%	499758.00	-499758.00	0.00	0.00	0.00	418487.38	78103.54	0.00	0.00	496590.92	0.00	0.00	81270.62
Furniture	18.10%	464181.00	-464181.00	0.00	0.00	0.00	439634.89	4150.92	0.00	0.00	443785.81	0.00	0.00	24546.11
Office Equipment	13.91%	147402.00	-147402.00	0.00	0.00	0.00	50886.75	12824.83	0.00	0.00	63711.58	0.00	0.00	96515.25
Car	25.89%	2432185.00	0.00	0.00	0.00	2432185.00	484777.12	457295.82	0.00	0.00	0.00	942072.94	1490112.06	1947407.88
Air Conditioner	13.91%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
printers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		3543526.00	-1111341.00	0.00	0.00	2432185.00	1393786.14	552375.11	0.00	0.00	1004088.31	942072.94	1490112.06	2149739.86
P.Y. Year														
<b>Intangible Assets</b>														
Goodwill		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brands /trademarks		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Web Site(Computer software)	40%	342287.35	-342287.35	0.00	0.00	0.00	70519.68	40688.12	0.00	0.00	111207.80	0.00	0.00	271767.67
Mastheads and publishing titles		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mining rights		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Copyrights, and patents and other intellectual property rights, services and operating rights		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recipes, formulae, models, designs and prototypes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and franchise		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others (specify nature)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		342287.35	-342287.35	0.00	0.00	0.00	70519.68	40688.12	0.00	0.00	111207.80	0.00	0.00	271767.67
<b>Capital Work In Progress</b>														
Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Intangible assets under Development</b>														
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		3885813.35	-1453628.35	0.00	0.00	2432185.00	1464305.82	593063.23	0.00	0.00	1115296.11	942072.94	1490112.06	2421507.53

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 8 Non-current investments</b>		
Investments in Equity instruments	23,867,621.00	23,867,621.00
Other non-current investments	-	-
<b>Total</b>	<b>23,867,621.00</b>	<b>23,867,621.00</b>
<b>Note: 9 Long Term Loans and Advances</b>		
Secured considered good		
Security Deposits	1,500,000.00	1,599,768.00
Loans and advances to related parties	-	-
(Director, officer of the company, firm in which director is a partner, Pvt co., in which director is a member)	-	-
Other loans and advances	-	-
<b>Sub Total</b>	<b>1,500,000.00</b>	<b>1,599,768.00</b>
Unsecured considered good		
Loans and advances to related parties	-	-
Other loans and advances	31,770,113.00	33,441,347.05
<b>Sub Total</b>	<b>31,770,113.00</b>	<b>33,441,347.05</b>
Doubtful		
Loans and advances to related parties	-	-
Other loans and advances	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>33,270,113.00</b>	<b>35,041,115.05</b>
<b>Note: 10 Other non-current assets</b>		
Misc Expenditure (to the extent not written off or adjusted)		
Right issue expenses	89,840.00	179,680.00
Less: Written off during the year	89,840.00	89,840.00
<b>Total</b>	<b>-</b>	<b>89,840.00</b>
<b>Note: 11 Trade receivables</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured - considered good	-	376,273,335.00
Unsecured - considered good	-	-
Unsecured - considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Sub Total</b>	<b>-</b>	<b>376,273,335.00</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured - considered good	1,162,812,806.36	786,762,220.26
Unsecured - considered good	-	-
Unsecured - considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Sub Total</b>	<b>1,162,812,806.36</b>	<b>786,762,220.26</b>
<b>Total</b>	<b>1,162,812,806.36</b>	<b>1,163,035,555.26</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 12 Cash and cash equivalents</b>		
(a) Balances with banks (includes earmarked balances)		
Union Bank of India (Malad West)	12,291.11	14,154.59
Union Bank of India (Vikroli)	-	228,168.38
Axis bank Ltd	17,969.18	40,820.62
Axis bank Ltd	2,099.16	8,146.50
HDFC Bank Dividend A/c	7,575.00	7,575.00
Central Bank Of India	11,760.50	13,052.00
(b) Cash on hand	28,849.00	53,206.13
(c) Others if any (specify nature)	-	-
<b>Total</b>	<b>80,543.95</b>	<b>365,123.22</b>
<b>Note: 13 Short term loans and advances</b>		
Loans and advances	14,653,200.00	14,653,200.00
(Secured/ Unsecured/ Doubtful)		
Receivable from Revenue Authorities	942,932.00	1,162,318.05
Others	528,018.00	542,218.00
Current year taxes recoverable	-	-
<b>Total</b>	<b>16,124,150.00</b>	<b>16,357,736.05</b>
<b>Note: 14 Revenue from Operations (for companies other than a finance company)</b>		
Revenue from - Sale of products	-	1,102,664,590.00
Sale of services	-	20,829,500.00
Other operating revenues	-	-
Less: Excise Duty	-	-
<b>Total</b>	<b>-</b>	<b>1,123,494,090.00</b>
<b>Note: 15 Othe Income</b>		
Interest income	-	627,710.00
Divident income	7,575.00	-
Net gain/ loss on sale of assets	-	-
Sundry Balances written off/written back	2,052,199.24	-
Other non-operating income (net of expenses directly attributable to such income)	-	216,024.00
<b>Total</b>	<b>2,059,774.24</b>	<b>843,734.00</b>
<b>Note: 16 Employee Benefits Expense</b>		
Salaries and wages	874,499.00	7,599,329.10
Directors Remuneration	900,000.00	1,200,000.00
Contribution to provident and other funds	-	-
Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	-	-
Staff welfare expenses	14,726.00	159,014.00
<b>Total</b>	<b>1,789,225.00</b>	<b>8,958,343.10</b>
<b>Note: 17 Finance Costs</b>		
Bank charges	4,406.84	16,494.77
Interest to Bank	171,702.00	157,113.00
Other borrowing costs	-	-
Applicable net gain/ loss on foreign currency transactions/ traslation	-	-
<b>Total</b>	<b>176,108.84</b>	<b>173,607.77</b>



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 18 Administrative Expenses</b>		
Advertising expenses	26,876.41	-
Auditors remuneration	30,000.00	100,000.00
Business Promotins Exp	-	271,081.06
Computer Exp	7,929.00	-
Consultancy Charges	-	22,167.00
Conveyance, Travelling & Vehicle Maintenance	16,789.00	1,159,142.60
Demat charges	449.44	-
Donation	23,200.00	-
Electricity Charges	23,727.46	565,505.29
General Expenses	-	-
General Meeting Exp	2,760.00	2,689.00
Interest on Service Tax & TDS	125,417.00	390,697.08
Interest	-	52,800.00
Legal & Professional Charges	283,852.00	2,165,354.41
Loss on sale of fixed assets	338,332.24	-
Miscellaneous expenses	6,945.00	167,833.23
Office Maintenance	13,990.00	350,306.15
Postage and Courier Charges	572.00	46,283.00
Printing and Stationary	31,149.00	183,956.19
Professional Taxes	630,000.00	2,500.00
Profession Tax	9,000.00	-
Registration & Filing Fee	97,225.09	153,368.00
Rent, Rates and Taxes	265,000.00	2,484,259.00
Repairs and Maintenance	-	7,171.00
RTA Exp	42,349.00	-
Software Development Expenses	-	-
Telephone & Internet Expenses	42,315.62	350,960.35
<b>Total</b>	<b>2,017,878.26</b>	<b>8,476,073.36</b>
<b>Note: 19 Depreciation and Amortisation Expense</b>		
Depreciation	593,063.23	690,153.82
Preliminary and Pre - operative expenses written off	89,840.00	89,840.00
<b>Total</b>	<b>682,903.23</b>	<b>779,993.82</b>

**Note: 9 Non Current Investment**

Particulars	Nos.	Cost as on 31.03.2013	Nos.	Cost as on 31.03.2012
<b>Unquoted shares</b>				
The Greater Bombay Co. Op. Bank Ltd.,	1,010	25,250.00	1,010	25,250.00
Shree Swasthik Buildcon Pvt. Ltd	30,000	3,000,000.00	30,000	3,000,000.00
Amsol Inc. (USA)	550	19,013,810.00	550	19,013,810.00
UCS Inc. ( USA)	550	1,828,561.00	550	1,828,561.00
<b>Total</b>	<b>32,110</b>	<b>23,867,621.00</b>	<b>32,110</b>	<b>23,867,621.00</b>

**CASH FLOW STATEMENT FOR THE PERIOD ENDNG 31st MARCH 2013**

Particulars	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss before tax and extraordinary item	(2,606,341)	3,613,761
Add Adjustments for		
Depreciation	593,063	690,154
Extra Ordinary Items	-	-
Loss/ ( Profit) on sale of Share & Securitites	-	-
Loss / ( Profit) on sale of Fixed Assets	338,332	-
Preliminary Expenses Written Off	89,840	89,840
Interest & Financial Charges	176,109	617,056
Interest, Dividend & Other Income	(7,575)	(843,734)
Prior period Item	-	-
Operating Profit before working capital changes	(1,416,572)	4,167,077
Adjustments for		
(Increase) Decrease in Trade Debtors	222,749	(807,296,167)
(Increase) Decrease in Inventories/ WIP	-	-
(Increase) Decrease in Advances & Receivables	2,004,588	-
Increase (Decrease) in Current Liabilitites	(991,968)	791,033,088
<b>Cash Generated from Operations</b>	<b>(181,203)</b>	<b>(12,096,002)</b>
Taxes & Dividend Paid	-	-
Cash Flow from Operating Activities	<b>(181,203)</b>	<b>(12,096,002)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale / (Purchase) of Fixed Assets	-	(2,435,935)
Sale of Investment*	-	-
Purchase of Investment*	-	-
*Including Amount paid for share Application Money	-	-
Income from Shares & Securities	-	-
Net Interest, Dividend & Other Income	7,575	629,530
<b>Cash flow from Investing Activities</b>	<b>7,575</b>	<b>(1,806,405)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds for issuance of Capital	-	-
Payment of Preliminary Expenses	-	-
Increase/(Decrease) in Borrowings	65,158	14,054,670
Interest and Finance Charges	(176,109)	(616,768)
<b>Cash flow from Financing Activities</b>	<b>(110,951)</b>	<b>13,437,902</b>
Net Increase in Cash & Cash Equivalents ( A+B+C)	<b>(284,579)</b>	<b>(464,505)</b>
Cash & Cash Equivalents (Openenig)	<b>365,123</b>	<b>829,628</b>
Cash & Cash Equivalents (Closing)	<b>80,545</b>	<b>365,123</b>

As per my report of even date attached

Sd/-  
**Jatin Shah**  
 Chartered Accountants  
 M. No. 103858  
 Proprietor  
 Date : 30th May, 2013  
 Place : Mumbai

For and On behalf of the Board

Sd/-  
 Shaikh Fazal Mehmood  
 Vice Chairman &  
 JT. Managing Director

Sd/-  
 Tushar Mathuria  
 Director

Sd/-  
 Rohit Kudtarkar  
 Company Secretary

**Note : 20****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****A) Corporate Information**

Spectacle Infotek Limited is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company is engaged in IT and ITES Services.

**B) Summary of significant accounting policies****1. BASIS OF PREPARATION**

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with generally accepted accounting principles in India.

**2. USE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual result could differ from these estimates and differences between the actual results and estimates are recognised in the period in which the results are known/ materialised.

**3. Recognition of Income and Expenditure**

i) The company recognizes revenue when the significant terms of the arrangements are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered.

ii) Direct fiscal duties and taxes are charged out as an expense in the year in which they are paid or provided.

**4. Fixed Assets and Depreciation**

Fixed assets are stated at cost of acquisition and include other direct/indirect and incidental expenses incurred to put them into use but excludes CENVAT availed on such assets

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Depreciation on fixed assets is provided using the Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs. 5,000/- are depreciated full in the year of acquisition.

**5. Investments**

Investments are classified as current investments and long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost less provision for permanent diminution in value of such investments.

**6. Inventories**

Inventories are valued at the lower of cost and net realizable value, including necessary provisions for obsolescence. Cost is determined using the weighted average method. Cost of work – in-progress and finished goods include material cost and appropriate share of manufacturing overheads.

7. Cash Flow statement is prepared in accordance with AS-3 except in case of Subsidiaries for which cash flow is not available due to non availability of information.

**8. Sales**

Revenue from sale of products is recognized when the product has been delivered in accordance with the sales contract. Revenue from product sales are shown as net of excise duty, sales tax separately charged and applicable discounts. Commission is recognized based on the agreement & arrangements made with the parties. Interest is recognized based on the rates agreed as per the agreements.

**9. Foreign Currency Transactions:**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupee at the rate of exchange prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign currency transactions, other than those relating to fixed assets acquired outside India are recognized in the profit and loss account

**10 Retiring benefits :**

- i) Retiring Benefits in the form of Provident Fund is not Applicable in the view of non applicability of the provident Fund Act.
- ii) The Gratuity Act is not applicable in the non- completion of qualifying years of service by the employees.
- iii) Leave encashment is paid and payable at the end of the each calendar year and necessary provisions if any, required is being made in the accounts.

**11. Taxes on Income:**

- i) Current tax is determine, under the tax payable method on the liability as computed after taking credit for allowances and exemptions. Adjustments in books are made only after the completion of the assessment.
- ii) Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income, that originate in one period and reverse in one or more subsequent period.

**12. Contingent liabilities**

- a)
  - i) Liability towards irrevocable letters of credit established: Rs. Nil. (PY Rs. NIL)
  - ii) Liability in respect of Bank Guarantees: Rs. NIL. (PY Rs. NIL)
  - iii) Corporate Guarantees given for other group Companies: Rs. Nil. (PY Rs. NIL)
  - iv) Corporate guarantees given to Customers: Rs. NIL. (PY Rs. NIL)
- b) Show cause notices against the company not acknowledged as debt : Rs NIL (PY Rs. NIL)

**13. Director's Remuneration:** During the period directors have taken an amount of Rs. 9,00,000 /- as remuneration.

**14. No Employee of the company was in receipt of salary of Rs. 60,00,000/- p.a. in aggregate or Rs. 5, 00,000/- per month employed for the part of the year.**

**15 Related Party Transactions:**

In accordance with Accounting Standard 'AS - 18' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

**A : Names and Relationships of the related parties:-**

Key Management Personnel:	Mr Fazal shaikh – Director
	Mr Tejesh Kodali – Director

Entities over which Key Management Personnel exercise significant influence/ Others:

Balaji Infotech & Software Pvt. Ltd.
CTE Global Solutions Pvt. Ltd.

**B : Transactions with related parties:**

Particulars	KMP		Entities over which Key Management Personnel exercise significant influence/ Others	
	2012-13	2011-12	2012-13	2011-12
<b>Income</b>				
Expenditure				
Remuneration	<b>900000</b>	1200000	<b>0</b>	0
Rent	<b>120000</b>	0	<b>0</b>	0
Unsecured Loans Taken	<b>12340367</b>	12459505	<b>0</b>	1235000
Unsecured Loans Repaid	<b>13000</b>	2557355	<b>10000</b>	7480000
<b>Balances as at the end of the year:</b>				
Unsecured Loans	<b>26473085</b>	14145718	<b>8489504</b>	8499504

Transactions	Relationship Category	31-Mar-13	31-Mar-12
<b>Remuneration</b>			
Mr. Fazal Shaikh	Key Management Personnel	<b>450000</b>	600000
Mr. Tejesh Kodali	Key Management Personnel	<b>450000</b>	600000
<b>Rent</b>			
Mr. Fazal Shaikh	Key Management Personnel	<b>120000</b>	120000
<b>Unsecured Loans Taken</b>			
Mr. Fazal Shaikh	Key Management Personnel	<b>558367</b>	0
Mr. Tejesh Kodali	Key Management Personnel	<b>11782000</b>	12459505
Balaji Infotech and Software Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	<b>0</b>	0
CTE Global Solutions Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	<b>0</b>	1235000
<b>Unsecured Loans Repaid</b>			
Mr. Fazal Shaikh	Key Management Personnel	<b>13000</b>	0
Mr. Tejesh Kodali	Key Management Personnel	<b>0</b>	2557355
Balaji Infotech and Software Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	<b>10000</b>	0
CTE Global Solutions Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	<b>0</b>	7480000

**15. Earning per share:**

Profit/(Loss)After Extra Ordinary Items	Rs. (24,31,344)
Weighted Average No. of equity shares	5,14,50,000
EPS	(0.04)

EPS is Rs. (0.04) having face value of Re.1, and paid up value of Re. 1.

Previous year: - Earning per share (Reported) Rs. 0.01 and earnings per share

**16. Earnings in Foreign Exchange**

- NIL

**17. Expenditure in Foreign Exchange**

- NIL

**19. Payments to auditors:**

	2012-13	2011-12
(a) as auditor	30,000	75,000
(b) as adviser ,or in any other capacity,		
In respect of -		
(i) Taxation matters	15,000	15,000
(ii) Company law matters	15,000	10,000
<b>Total</b>	<b>60,000</b>	<b>1,00,000</b>

**20. Outstanding dues of SSI Units:**

The Company has no information as to whether any of its suppliers constitute Small Scale/ancillary undertakings and therefore the claims from suppliers and other related data under the "Interest on Delayed Payment to Small and Ancillary unit Act 1993 "could not be ascertained.

**21. Segmental Reporting:**

There is no separate reportable segment as defined by the Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

**22.** In accordance with Accounting Standard AS – 22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India , the Company has recognized net deferred tax Asset of Rs. 5,67,411/.

**23.** For Investment in Subsidiaries & Shri Swastik Buildcon Private Limited Share Certificates are yet to be received by the Company.

**24.** The Board of Director has not declared any dividend for the financial year 2012-13.

**25. Current Assets, Loan & Advances and Provisions :**

- The Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- The provision for all known liabilities is not in excess of the amounts reasonably necessary.

**26.** The Balances of Sundry Creditors, Sundry Debtors and Loans and Advances are Subject to confirmation. The balances are net of credit / debit debtors / Creditors Accounts.

**27.** Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current year presentation.

As per my report of even date attached

Sd/-

**Jatin Shah**

Chartered Accountants

M. No. 103858

Proprietor

Date : 30th May, 2013

Place : Mumbai

**For and On behalf of the Board**

Sd/-

Shaikh Fazal Mehmood

Vice Chairman &amp;

JT. Managing Director

Sd/-

Tushar Mathuria

Director

Sd/-

Rohit Kudtarkar

Company Secretary



**CONSOLIDATED BALANCE SHEET AS AT 31st, MARCH, 2013**

Particulars	Note No	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	1	51,450,000	51,450,000
(b) Reserves and Surplus	2	(67,327,080)	43,850,978
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
Minority Interest		30,433,059	30,482,122
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	37,148,382	24,526,930
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	-	2,401,555
(d) Long-term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	5	350,000	10,720,501
(b) Trade payables		1,116,727,713	1,167,638,619
(c) Other current liabilities	6	154,601,502	13,125,711
(d) Short-term provisions	7	14,284,724	24,899,294
<b>Total</b>		<b>1,337,668,301</b>	<b>1,369,095,710</b>
<b>II. Assets</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	1,832,136	2,567,964
(ii) Intangible assets	8	-	271,768
(b) Non-current investments	9	3,025,250	3,025,250
(c) Deferred tax assets (net)		567,411	392,413
(d) Long term loans and advances	10	33,270,113	35,041,115
(e) Other non-current assets	11	-	89,840
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	12	1,280,699,760	1,299,250,676
(d) Cash and cash equivalents	13	210,939	2,859,493
(e) Short-term loans and advances	14	15,181,218	16,357,736
(f) Other current assets		2,881,474	9,239,455
<b>Total</b>		<b>1,337,668,301</b>	<b>1,369,095,710</b>

As per my report of even date attached

Sd/-  
**Jatin Shah**  
 Chartered Accountants  
 M. No. 103858  
 Proprietor  
 Date : 30th May, 2013  
 Place : Mumbai

**For and On behalf of the Board**

Sd/-  
 Shaikh Fazal Mehmood  
 Vice Chairman &  
 J.T. Managing Director

Sd/-  
 Tushar Mathuria  
 Director

Sd/-  
 Rohit Kudtarkar  
 Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013**

Sr. No.	Particulars	Note No	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
I.	Revenue from operations	15	514,953,712	1,824,632,340
II.	Other Income	16	2,059,774	843,734
III.	<b>Total Revenue (I + II)</b>		<b>517,013,486</b>	<b>1,825,476,074</b>
IV.	<b>Expenses:</b>			
	Cost of Goods traded		549,477,787	1,731,274,796
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	17	1,789,225	8,958,343
	Financial costs	18	7,096,715	6,731,258
	Administrative Expense	19	82,047,245	73,437,396
	Depreciation and amortization expense	20	682,903	779,994
	<b>Total Expenses</b>		<b>641,093,875</b>	<b>1,821,181,787</b>
V.	Profit before exceptional and extraordinary items and tax (III - IV)		(124,080,389)	4,294,287
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		(124,080,389)	4,294,287
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		(124,080,389)	4,294,287
X.	Tax expense:			
	(1) Current tax		-	3,002,007
	(2) Deferred tax		(174,997)	59,756
XI.	Profit/(Loss) from the period from continuing operations (VII - VIII)		(123,905,392)	1,232,524
XII.	Minority Interest		(49,064)	306,237
XIII.	Profit/(Loss) for the period (XI + XII)		(123,856,328)	926,287
XIV.	Earning per equity share:			
	(1) Basic		(2.41)	0.02
	(2) Diluted			
	No. of Shares used in computing Earnings Per share			
	1) Basic		51450000	51450000
	2) Diluted			
The Accompanying notes are an integral part of Financial Statements		21		

As per my report of even date attached  
 Sd/-

**Jatin Shah**

Chartered Accountants

M. No. 103858

Proprietor

Date : 30th May, 2013

Place : Mumbai

**For and On behalf of the Board**

Sd/-

Shaikh Fazal Mehmood

Vice Chairman &amp;

J.T. Managing Director

Sd/-

Tushar Mathuria

Director

Sd/-

Rohit Kudtarkar

Company Secretary

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 1 Share Capital</b>		
Equity Share Capital		
Authorised Share capital		
6,00,00,000 Equity Shares of Rs. 1/- each	<b>60,000,000.00</b>	60,000,000.00
Issued, subscribed & fully paid share capital	<b>51,450,000.00</b>	51,450,000.00
5,14,50,000 Equity Shares of Rs. 1/- each		
Calls unpaid	-	-
Forfeited shares	-	-
	<b>51,450,000.00</b>	51,450,000.00
Preference Share Capital		
Authorised Share capital	-	-
Preference Shares		
Issued, subscribed & fully paid share capital	-	-
Calls unpaid	-	-
Forfeited shares	-	-
	-	-
<b>Total</b>	<b>51,450,000.00</b>	51,450,000.00

**A. Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting period**

Particulars	No. of Shares	As at 31/03/2013	No. of Shares	As at 31/03/2012
At the beginning of the period	51450000	51450000	51450000	51450000
Outstanding at the end of the period	51450000	51450000	51450000	51450000

**B. Terms/Rights attached to Equity Shares**

The Company has only one class of Equity shares having a par value of Re 1 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by shareholders.

**C.** The company has neither bought back nor forfeited any shares.

**D.** Details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	No. of Shares	As at 31/03/2013 % of holding	No. of Shares	As at 31/03/2012 % of holding
BALAJI INFOTECH AND SOFTWARE PVT. LTD.	8360650	16.25%	8360650	16.25%
ARCADIA SHARE AND STOCK BROKERS PVT. LTD.	6,429,000	12.49%	6229000	12.11%
ARCADIA SHARE AND STOCK BROKERS PVT. LTD.	10,897,903	21.18%	10564400	20.53%

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 2 Reserves and Surplus</b>		
<b>Capital Reserves</b>	<b>14,525,556.00</b>	14,525,556.00
Surplus (i.e. balance in Statement of P & L)		
At the beginning of the year	<b>15,100,351.17</b>	14,174,064.16
Additions during the year	<b>(123,856,328.27)</b>	926,287.01
	<b>(108,755,977.10)</b>	15,100,351.17
<b>Foreign Currency Translation Reserve</b>	<b>26,903,341.37</b>	14,225,070.60
At the end of the year	<b>(81,852,635.73)</b>	29,325,421.77
<b>Total</b>	<b>(67,327,079.73)</b>	43,850,977.77
<b>Note: 3 Long-term borrowings</b>		
Secured		
Term Loans		
- from banks	-	-
- from other parties	-	1,881,708.00
Unsecured		
Term Loans		
- from banks	-	-
- from other parties	-	-
Loans and advances from related parties	<b>34,962,588.50</b>	22,645,221.50
Other loans and advances - subsidiaries	<b>2,185,793.95</b>	-
<b>Total</b>	<b>37,148,382.45</b>	24,526,929.50
<b>Note: 4 Other long term liabilities</b>		
Trade payables	-	-
Trade payables	-	-
Long Term liabilities (subsidiaries)	-	2,401,555.38
<b>Total</b>	-	2,401,555.38
<b>Note: 5 Short-term borrowings</b>		
Secured		
Loans repayable on demand		
from banks	-	-
from other parties	-	-
Unsecured		
Loans repayable on demand		
from banks	-	-
from other parties	-	370,501.24
Other loans and advances	<b>350,000.00</b>	10,350,000.00
<b>Total</b>	<b>350,000.00</b>	10,720,501.24
<b>Note: 6 Other current liabilities</b>		
Income received in advance		36,299.00
Other current liabilities	<b>10,275,093.34</b>	823,989.00
Current liabilities (subsidiaries)	<b>142,063,077.95</b>	10,120,409.12
Other payables		
Duties and taxes payable	-	-
Service tax	<b>594,423.02</b>	594,422.92
Professional Tax	<b>45,125.00</b>	45,125.00
TDS payable	<b>1,623,686.00</b>	1,505,466.00
VAT payable	<b>97.00</b>	-
<b>Total</b>	<b>154,601,502.31</b>	13,125,711.04

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 7 Short-term provisions</b>		
Provision for employee benefits	-	4,857,869.50
Others		
Provision for Dividend	7,455.00	7,455.00
Income tax payable-Subsidiary	8,259,515.15	14,016,215.81
Provision for Income Tax for the F.Y. 2010-11	3,015,747.00	3,015,747.00
Provision for Income Tax for the F.Y. 2011-12	3,002,007.00	3,002,007.00
T. D. S		
<b>Total</b>	<b>14,284,724.15</b>	<b>24,899,294.31</b>

**Note: 8 Tangible Assets & Intangible Assets**

Fixed Assets	Rate of De-preation	Gross Block					Accumulated Depreciation					Net Block		
		As at 31 March 2012	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	As at 31 March 2013	As at 31 March 2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Deduction	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
<b>Tangible Assets</b>														
Computers and accessories	40%	499758.00	-499758.00	0.00	0.00	0.00	418487.38	78103.54	0.00	0.00	496590.92	0.00	0.00	81270.62
Furniture	18.10%	464181.00	-464181.00	0.00	0.00	0.00	439634.89	4150.92	0.00	0.00	443785.81	0.00	0.00	24546.11
Office Equipment	13.91%	147402.00	-147402.00	0.00	0.00	0.00	50886.75	12824.83	0.00	0.00	63711.58	0.00	0.00	96515.25
Car	25.89%	2432185.00	0.00	0.00	0.00	2432185.00	484777.12	457295.82	0.00	0.00	0.00	942072.94	1490112.06	1947407.88
Air Condtioner	13.91%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
printers		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		<b>3543526.00</b>	<b>-1111341.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2432185.00</b>	<b>1393786.14</b>	<b>552375.11</b>	<b>0.00</b>	<b>0.00</b>	<b>1004088.31</b>	<b>942072.94</b>	<b>1490112.06</b>	<b>2149739.86</b>
P.Y. Year														
<b>Intangible Assets</b>														
Goodwill		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brands /trademarks		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Web Site(Computer software)	40%	342287.35	-342287.35	0.00	0.00	0.00	70519.68	40688.12	0.00	0.00	111207.80	0.00	0.00	271767.67
Mastheads and publishing titles		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mining rights		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Copyrights, and patents and other intellectual property rights, services and operating rights		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recipes, formulae, models, designs and prototypes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and franchise		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others (specify nature)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		<b>342287.35</b>	<b>-342287.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>70519.68</b>	<b>40688.12</b>	<b>0.00</b>	<b>0.00</b>	<b>111207.80</b>	<b>0.00</b>	<b>0.00</b>	<b>271767.67</b>
<b>Capital Work In Progress</b>														
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Intangible assets under Development</b>														
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		<b>3885813.35</b>	<b>-1453628.35</b>	<b>0.00</b>	<b>0.00</b>	<b>2432185.00</b>	<b>1464305.82</b>	<b>593063.23</b>	<b>0.00</b>	<b>0.00</b>	<b>1115296.11</b>	<b>942072.94</b>	<b>1490112.06</b>	<b>2421507.53</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 9 Non-current investments</b>		
Investments in Equity instruments	3,025,250.00	3,025,250.00
Other non-current investments	-	-
<b>Total</b>	<b>3,025,250.00</b>	<b>3,025,250.00</b>
<b>Note: 10 Long Term Loans and Advances</b>		
Secured considered good		
Security Deposits	1,500,000.00	1,599,768.00
Loans and advances to related parties	-	-
(Director, officer of the company, firm in which director is a partner, Pvt co., in which director is a member)	-	-
Other loans and advances	-	-
<b>Sub Total</b>	<b>1,500,000.00</b>	<b>1,599,768.00</b>
Unsecured considered good		
Loans and advances to related parties		
Other loans and advances	31,770,113.00	33,441,347.05
<b>Sub Total</b>	<b>31,770,113.00</b>	<b>33,441,347.05</b>
Doubtful		
Loans and advances to related parties	-	-
Other loans and advances	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>33,270,113.00</b>	<b>35,041,115.05</b>
<b>Note: 11 Other non-current assets</b>		
Misc Expenditure (to the extent not written off or adjusted)		
Right issue expenses	89,840.00	179,680.00
Less: Written off during the year	89,840.00	89,840.00
<b>Total</b>	<b>-</b>	<b>89,840.00</b>
<b>Note: 12 Trade receivables</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured - considered good	-	376,273,335.00
Unsecured - considered good	-	-
Unsecured - considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Sub Total</b>	<b>-</b>	<b>376,273,335.00</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured - considered good	1,162,812,806.36	786,762,220.26
Subsidiaries Trade Recievable	117,886,953.88	136,215,121.18
Unsecured - considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Sub Total</b>	<b>1,280,699,760.24</b>	<b>922,977,341.44</b>
<b>Total</b>	<b>1,280,699,760.24</b>	<b>1,299,250,676.44</b>



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

<b>Particulars</b>	<b>Figures for the current reporting period 31/03/2013</b>	<b>Figures for the previous reporting period 31/03/2012</b>
<b>Note: 13 Cash and cash equivalents</b>		
(a) Balances with banks (includes earmarked balances)		
Union Bank of India (Malad West)	<b>12,291.11</b>	14,154.59
Union Bank of India (Vikroli)	-	228,168.38
Axis bank Ltd	<b>17,969.18</b>	40,820.62
Axis bank Ltd	<b>2,099.16</b>	8,146.50
HDFC Bank Dividend A/c	<b>7,575.00</b>	7,575.00
Central Bank Of India	<b>11,760.50</b>	13,052.00
(b) Cash on hand	<b>28,849.00</b>	53,206.13
Cash & Bank Balance (Subsidiaries)	<b>130,394.89</b>	2,494,369.60
<b>Total</b>	<b>210,938.84</b>	2,859,492.82
<b>Note: 14 Short term loans and advances</b>		
Loans and advances	<b>14,653,200.00</b>	14,653,200.00
(Secured/ Unsecured/ Doubtful)		
Receivable from Revenue Authorities		1,162,318.05
Others	<b>528,018.00</b>	542,218.00
Current year taxes recoverable	-	-
<b>Total</b>	<b>15,181,218.00</b>	16,357,736.05
<b>Note: 15 Revenue from Operations (for companies other than a finance company)</b>		
Revenue from - Sale of products	<b>514,953,711.56</b>	1,102,664,590.00
Sale of services	-	721,967,750.00
Other operating revenues	-	-
Less: Excise Duty	-	-
<b>Total</b>	<b>514,953,711.56</b>	1,824,632,340.00
<b>Note: 16 Other Income</b>		
Interest income	-	627,710.00
Dividend income	<b>7,575.00</b>	-
Net gain/ loss on sale of assets	-	-
Sundry Balances written off/written back	<b>2,052,199.24</b>	-
Other non-operating income (net of expenses directly attributable to such income)	-	216,024.00
<b>Total</b>	<b>2,059,774.24</b>	843,734.00
<b>Note: 17 Employee Benefits Expense</b>		
Salaries and wages	<b>874,499.00</b>	7,599,329.10
Directors Remuneration	<b>900,000.00</b>	1,200,000.00
Contribution to provident and other funds	-	-
Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	-	-
Staff welfare expenses	<b>14,726.00</b>	159,014.00
<b>Total</b>	<b>1,789,225.00</b>	8,958,343.10

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Figures for the current reporting period 31/03/2013	Figures for the previous reporting period 31/03/2012
<b>Note: 18 Finance Costs</b>		
Bank charges	4,406.84	16,494.77
Interest to Bank	171,702.00	157,113.00
Other borrowing costs	6,920,606.12	6,557,650.00
Applicable net gain/ loss on foreign currency transactions/ traslation	-	-
<b>Total</b>	<b>7,096,714.96</b>	<b>6,731,257.77</b>
<b>Note: 19 Administrative Expenses</b>		
Administrative Expenses	80,029,366.48	64,961,318.00
Advertising expenses	26,876.41	-
Auditors remuneration	30,000.00	100,000.00
Business Promotins Exp	-	271,081.06
Computer Exp	7,929.00	-
Consultancy Charges	-	22,167.00
Conveyance, Travelling & Vehicle Maintenance	16,789.00	1,159,142.60
Demat charges	449.44	-
Donation	23,200.00	-
Electricity Charges	23,727.46	565,505.29
General Expenses	-	-
General Meeting Exp	2,760.00	2,689.00
Interest on Service Tax & TDS	125,417.00	390,697.08
Interest	-	52,800.00
Legal & Professional Charges	283,852.00	2,165,354.41
Loss on sale of fixed assets	338,332.24	-
Miscellaneous expenses	6,945.00	167,838.23
Office Maintenace	13,990.00	350,306.15
Postage and Courier Charges	572.00	46,283.00
Printing and Stationary	31,149.00	183,956.19
Professional Taxes	630,000.00	2,500.00
Profession Tax	9,000.00	-
Registration & Filing Fee	97,225.09	153,368.00
Rent, Rates and Taxes	265,000.00	2,484,259.00
Repairs and Maintenance	-	7,171.00
RTA Exp	42,349.00	-
Software Development Expenses	-	-
Telephone & Internet Expenses	42,315.62	350,960.35
<b>Total</b>	<b>82,047,244.74</b>	<b>73,437,396.36</b>
<b>Note: 20 Depreciation and Amortisation Expense</b>		
Depreciation	593,063.23	690,153.82
Preliminary and Pre - operative expenses written off	89,840.00	89,840.00
<b>Total</b>	<b>682,903.23</b>	<b>779,993.82</b>

**Note: 9 Non Current Investment**

Particulars	Nos.	Cost as on 31.03.2013	Nos.	Cost as on 31.03.2012
<b>Unquoted shares</b>				
The Greater Bombay Co. Op. Bank Ltd.,	1,010	25,250.00	1,010	25,250.00
Shree Swasthik Buildcon Pvt. Ltd	30,000	3,000,000.00	30,000	3,000,000.00
<b>Total</b>	<b>31,010</b>	<b>3,025,250.00</b>	<b>31,010</b>	<b>3,025,250.00</b>

**Note No. : 21 NOTES ON CONSOLIDATED ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

A. The consolidated financial statement relates to SPECTACLE INFOTEK LIMITED (“Company”) has prepared the Consolidated Financial statements, by consolidating its accounts with that of its Majority interest (55 %) subsidiaries AMSOL INC, U.S.A and UNITED CONSULTANCY SERVICES INC, U.S.A. in accordance with the statement of Accounting standards on “Consolidated financial statements (AS 21) issued by the Institute of Chartered Accountants of India (ICAI) The consolidated financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the ICAI. The consolidated financial statements have been prepared on the following basis:

**1. Principles of Consolidation**

- i) The Financial statements of the company and its subsidiary company are combined on a line by line basis by adding together the book values of like items basis by adding together the book values of like items of assets, liabilities, income & expenditure, after fully eliminating intra- group balances and intra- group transactions in accordance with accounting Standard (AS-21) – “Consolidated Financial Statements”.
- ii) In case of foreign subsidiaries, revenue items and Assets and liabilities are consolidated at Foreign Exchange rate prevailing at the end of the year.
- iii) The difference between the costs of investment in subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iv) Minority Interest’s share is there as the company is holding % Equity Shares.
- v) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

**2. General**

- i) These accounts are prepared on the historical cost basis and on the accounting principles of going concern.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**3. Recognition of Income and Expenditure**

- i) The company recognizes revenue when the significant terms of the arrangements are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered.
- ii) Direct fiscal duties and taxes are charged out as an expense in the year in which they are paid or provided.

**4. Fixed Assets and Depreciation**

Fixed assets are stated at cost of acquisition and include other direct/indirect and incidental expenses incurred to put them into use but excludes CENVAT availed on such assets

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Depreciation on fixed assets is provided using the Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs. 5,000/- are depreciated full in the year of acquisition.

## **5. Investments**

Investments are classified as current investments and long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost less provision for permanent diminution in value of such investments.

## **6. Inventories**

Inventories are valued at the lower of cost and net realizable value, including necessary provisions for obsolescence. Cost is determined using the weighted average method. Cost of work-in-progress and finished goods include material cost and appropriate share of manufacturing overheads.

7. Cash Flow statement is prepared in accordance with AS-3 except in case of Subsidiaries for which cash flow is not available due to non availability of information.

## **8. Sales**

Revenue from sale of products is recognized when the product has been delivered in accordance with the sales contract. Revenue from product sales are shown as net of excise duty, sales tax separately charged and applicable discounts. Commission is recognized based on the agreement & arrangements made with the parties. Interest is recognized based on the rates agreed as per the agreements.

## **9. Foreign Currency Transactions:**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupee at the rate of exchange prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign currency transactions, other than those relating to fixed assets acquired outside India are recognized in the profit and loss account

## **10. Foreign Currency Translation**

In respect of non-integral foreign operations the translation to India Rupees for the purpose of Consolidation is performed for Balance Sheet Accounts using the closing exchange rates in effect at the Balance Sheet date and revenues and expenses accounts at average exchange rates for the respective periods. The gains or losses resulting from such translations are reported as separate component as an 'Exchange Fluctuation Reserve.

## **11. Taxes on Income:**

- i) Current tax is determine, under the tax payable method on the liability as computed after taking credit for allowances and exemptions. Adjustments in books are made only after the completion of the assessment.
- ii) Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income, that originate in one period and reverse in one or more subsequent period.

## **12. Contingent liabilities**

- i) Liability towards irrevocable letters of credit established: Rs. Nil. (PY Rs. NIL)
- ii) Liability in respect of Bank Guarantees: Rs. NIL. (PY Rs. NIL)

iii) Corporate Guarantees given for other group Companies: Rs. Nil. (PY Rs. NIL)

iv) Corporate guarantees given to Customers: Rs. NIL. (PY Rs. NIL)

Show cause notices against the company not acknowledged as debt : Rs **NIL** (PY – NIL)

**13. Director's Remuneration:** During the period directors have taken an amount of Rs. 9,00,000 /- as remuneration.

**14. No Employee of the company was in receipt of salary of Rs. 60,00,000/- p.a. in aggregate or Rs. 5, 00,000/- per month employed for the part of the year.**

**15. Related Party Transactions:**

In accordance with Accounting Standard 'AS - 18' relating to Related Party Disclosures, information pertinent to related party transaction is given as under:-

**A. Names and Relationships of the related parties:-**

<b>Key Management Personnel:</b>	Mr Fazal shaikh – Director Mr Tejesh Kodali-Director
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**Entities over which Key Management Personnel exercise significant influence/ Others:**

Balaji Infotech & Software Pvt.Ltd. CTE Global Solutions Pvt.Ltd.
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**B Transactions with related parties:**

Particulars	KMP		Entities over which Key Management Personnel exercise significant influence/ Others	
	2012-13	2011-12	2012-13	2011-12
<b>Income</b>				
Expenditure				
Remuneration	900000	1200000	0	0
Rent	120000	0	0	0
Unsecured Loans Taken	12340367	12459505	0	1235000
Unsecured Loans Repaid	13000	2557355	10000	7480000
<b>Balances as at the end of the year:</b>				
Unsecured Loans	26473085	14145718	8489504	8499504

Transactions	Relationship Category	31-Mar-13	31-Mar-12
<b>Remuneration</b>			
Mr. Fazal Shaikh	Key Management Personnel	450000	600000
Mr. Tejesh Kodali	Key Management Personnel	450000	600000
<b>Rent</b>			
Mr. Fazal Shaikh	Key Management Personnel	120000	120000
<b>Unsecured Loans Taken</b>			
Mr. Fazal Shaikh	Key Management Personnel	558367	0
Mr. Tejesh Kodali	Key Management Personnel	11782000	12459505

Balaji Infotech and Software Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	0	0
CTE Global Solutions Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	0	1235000
<b>Unsecured Loans Repaid</b>			
Mr. Fazal Shaikh	Key Management Personnel	13000	0
Mr. Tejesh Kodali	Key Management Personnel	0	2557355
Balaji Infotech and Software Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	10000	0
CTE Global Solutions Pvt. Ltd.	Entities over which Key Management Personnel exercise significant influence/ Others	0	7480000

**16. Earning per share:**

Profit/(Loss)After Extra Ordinary Items Rs. (123856328)  
 Weighted Average No. of equity shares 5,14,50,000

EPS (2.40)

EPS is Rs. (0.04) having face value of Re.1, and paid up value of Re. 1.

Previous year: - Earning per share (Reported) Rs. 0.02.

17. In accordance with Accounting Standard AS – 22 relating to “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the Company has recognized net deferred tax Asset of Rs. 5,67,411/- .

18. Current Assets, Loan & Advances and Provisions :

- The Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- The provision for all known liabilities is not in excess of the amounts reasonably necessary.

19. The Balances of Sundry Creditors, Sundry Debtors and Loans and Advances are Subject to confirmation. The balances are net of credit / debit debtors / Creditors Accounts.

20. Previous year’s figures have been regrouped / rearranged wherever necessary to confirm to the current year presentation.

As per my report of even date attached

Sd/-  
**Jatin Shah**  
 Chartered Accountants  
 M. No. 103858  
 Proprietor  
 Date : 30th May, 2013  
 Place : Mumbai

**For and On behalf of the Board**

Sd/-  
 Shaikh Fazal Mehmood  
 Vice Chairman &  
 J.T. Managing Director

Sd/-  
 Tushar Mathuria  
 Director

Sd/-  
 Rohit Kudtarkar  
 Company Secretary



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATED TO SUBSIDIARY COMPANIES.**

SI No	Particulars	Amsol, Inc	United Consultancy Services, Inc.
1	Financial year	31.03.2013	31.03.2013
2	Shares of the subsidiary held by the Company on the above date:		
a)	Number and face value	100/ \$ .10	100/ \$ .10
b)	Extent of Holding	55%	55%
3	The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the company and is dealt with in the accounts of the Company		
i)	For the financial year ended on 31st March, 2013	NA	NA
ii)	For the previous financial years of the subsidiary since it became a subsidiary	NA	NA
4	The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the company and is not dealt with in the accounts of the Company		
a)	For the financial year ended on 31st March, 2013.	(10,28,327.00)	(198,228.00)
b)	For the previous financial year of the subsidiary since it became a subsidiary	3,03,138.00	97,407.00
5	Change in the holding company's interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding company's financial year.	Not Applicable as financial year coincides with that of the holding company	Not Applicable as financial year coincides with that of the holding company
6.	Material changes which occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding company's financial year in respect: a) the subsidiaries fixed assets, b) its investments. C) Money lent by the subsidiary company, d) the money borrowed by it for any purpose other than that of meeting current liabilities.	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.

**STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SEC 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

In Rupees = US \$ 1 = 54.35

SI No	Description	Amsol, Inc.	United Consultancy Services, Inc.
1	Capital	54350.00	54350.00
2	Reserves & Surpluses	3,90,07,904.00	76,86,014.00
3	Total Assets	10,82,13,314.00	1,30,27,532.00
4	Total Liabilities	10,82,13,314.00	1,30,27,532.00
5	Details of Investment	Nil	Nil
6	Turnover	47,64,51,853.00	3,85,01,858
7	Profit/(Loss) after taxation	(10,18,07,420)	(1,96,66,627)
8	Proposed Dividend	Nil	Nil







# SPECTACLE INFOTEK LTD.

(Formerly known as "Spectacle Industries Limited")

Registered Office : No. 1, 1st Floor, 22/24/26, Shipping House, Kumpta Street, Fort, Mumbai - 400 001

## PROXY FORM

FOLIO NO.

I/We \_\_\_\_\_

of \_\_\_\_\_ being member(s) of Spectacle Infotek Limited

hereby appoint (1) \_\_\_\_\_ of \_\_\_\_\_

or failing (2) \_\_\_\_\_ of \_\_\_\_\_

or failing (3) \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf, Twenty Eighth Annual General Meeting of the company to held on Monday 30th Day of September, 2013 at the Registered Office of the Company at Office No. 1, 1st Floor, 22/24/26, Shipping House, Kumpta Street, Fort, Mumbai - 400 001, at 10:00 a.m. and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Signed by the said \_\_\_\_\_

Folio No. :  
 DP ID No. :  
 Client A/c. No. :  
 No. of Shares :

Affix of  
 Rs. 1/-  
 Reveue  
 Stamp

### **NOTE:**

This form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting

## ATTENDANCE SLIP

# SPECTACLE INFOTEK LTD.

(Formerly known as "Spectacle Industries Limited")

Registered Office : No. 1, 1st Floor, 22/24/26, Shipping House, Kumpta Street, Fort, Mumbai - 400 001

## 28th ANNUAL GENERAL MEETING

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company at Office No. 1, 1st Floor, 22/24/26, Shipping House, Kumpta Street, Fort, Mumbai - 400001 on Monday 30th Day of September, 2013.

Registered Folio No.:-..... D.P. ID.NO.....Client ID No.....

Name of the Shareholder :-.....

Note: Please fill in this attendance slip and hand it over at the Entrance.

Members are requested to bring their copy of Annual Report of the meeting.

Signature of the Shareholder/Proxy:.....



**Registered Office :**

No. 1, 1st Floor, 22/24/26, Shipping House,  
Kumpta Street, Fort, Mumbai - 400 001

Tel.: 2265 6051 / 52 Fax : 2265 8489

E-mail : [info@specinfotek.com](mailto:info@specinfotek.com)

Website : [www.specinfotek.com](http://www.specinfotek.com)