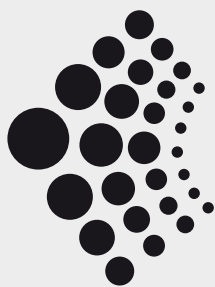


ANNUAL REPORT 2011-12



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 Dileep Vastimal Mehta - Independent Director
Shri Tushar Mathuria - Additional Director
Shri Dharmendra Archaratlal Parekh - Additional Director

Registered Office:

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

AUDITORS :

M/s. P. Jitender Reddy & Co.
Chartered Accountants
3-4-729, Lingampally, Barkatpura,
Opp. Sai Baba Temple,
Hyderabad – 500 027
E-mail : pjr_fca@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 Seventh Annual General Meeting of **Spectacle Infotek Limited (Formerly known as "Spectacle Industries Limited")** will be held on Monday the 31st Day of December, 2012 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 am to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Accounts for the financial year ended 31st March, 2012 along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dileep V. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. P. Jitender Reddy & Co., Chartered Accountants, Hyderabad, (Registration No: 200708 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:

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

"RESOLVED THAT Mr. Tushar V. Mathuria, who was appointed as an Additional Director of the Company and who holds office till the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and for whose appointment as a Director, a notice under section 257 of the Companies Act, 1956 has been received from a member of Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

To consider and, if thought fit, to pass with or without modifications, the following resolution as an 'Ordinary Resolution':

"RESOLVED THAT Mr. Dharmendra Acharatlal Parekh, who was appointed as an Additional Director of the Company and who holds office till the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and for whose appointment as a Director, a notice under section 257 of the Companies Act, 1956 has been received from a member of Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

By order of the Board

Date: 12-11- 2012
Place: Mumbai

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 22nd **December**, 2012 to 31st **December**, 2012 (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 & 5 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. Dileep V. Mehta
Age	51 Yrs.
Qualification	Commerce Graduate from University of Mumbai
Relationship with other Directors	None
Expertise in specific functional area	Finance, Designs of Human Resource, Structure planning
Other Directorship in public companies as on 31.03.2012	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 & 5 of the accompanying Notice:

Item No. 4

Mr. Tushar V. Mathuria, was appointed as an Additional Director by the Board of Directors of the Company and as per Section 260 of the Companies Act, 1956, Mr. Tushar V. Mathuria will hold office only up to date of ensuing Annual General Meeting of the Company. The Company has received valid Notice and requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Tushar V. Mathuria for the office of Director.

Brief Profile: Mr. Tushar V. Mathuria, age 53 years and has expertise in graphic design, and printing business, he was also felicitated by the Association of Otolaryngologist of India as Best Printing Service Provider in the year 2007.

In view of the background and valuable experience of Mr. Tushar V. Mathuria, it will be in the interest of the Company that he continues as a Director of the Company and your Directors recommend the resolution for the approval of the members.

Mr. Mr. Tushar V. Mathuria does not hold any shares in the Company.

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

Item No. 5

Mr. Dharmendra Acharatlal Parekh was appointed as an Additional Director by the Board of Directors of the Company and as per Section 260 of the Companies Act, 1956, Mr. Dharmendra Acharatlal Parekh will holds office only up to date of ensuing Annual General Meeting of the Company. The Company has received valid Notice and requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Dharmendra Acharatlal Parekh for the office of Director.

Brief Profile: Mr. Dharmendra Acharatlal Parekh, age 58 years and having a Bachelor of Arts degree from University of Mumbai. He has experience in diversified business such as imported and Indian branded watch and home appliances and audio products etc. He is active member in Watch Fedration group in Mumbai and in Jain Social group Airport International Since several years.

In view of the background and valuable experience of Mr. Dharmendra Acharatlal Parekh, it will be in the interest of the Company that he continues as a Director of the Company and your Directors recommend the resolution for the approval of the members.

Mr. Dharmendra Acharatlal Parekh does not hold any shares in the Company.

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

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

By order of the Board

Sd/-
Rohit Kudtarkar
Company Secretary

Date: 12-11-2012
Place: Mumbai

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 or the Registrars and Share Transfer Agent at sharexindia@vsnl.com

DIRECTOR'S REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2012. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

PARTICULARS	2011-12	2010-11
	AMOUNT (RS.)	AMOUNT (RS.)
PROFIT BEFORE DEPRECIATION & TAXATION	4393760.00	10264930.00
Less: Depreciation	779994.00	1943062.00
PROFIT FOR THE YEAR BEFORE TAXATION	3613766.00	8321868.00
Less : Provision for taxation		
Current tax	3002007.00	3015747.00
Deferred tax	59756.00	(387553.00)
PROFIT AFTER TAX	552003.00	5693674.00
Add: Brought forward from last year	18038165.00	12344491.00
Net Profit Carried to Balance Sheet	18590168.00	18038165.00

FINANCIAL PERFORMANCE:

During the year under review, your company recorded total income of Rs. 112.43 Crore, as against Rs. 153.84 Crore in the previous year. Net Profit for the financial year ended March 31, 2012 was Rs. 5.52 Lakhs. The Company experienced tremendous challenges in the market place under overall economic climate which lead to a severe pressure on the sales and margins. The Company has taken appropriate steps in this regard to improve the performance in future.

DIVIDEND:

In order to retain liquidity, your Directors do not recommend payment of any dividend during 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. Dileep V. Mehta retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

Since the last Directors Report, Mr. Jaaved Jaaferi, Mr. Gorantla Ramesh, Mr. Asokan Ganapathy, Mrs. Mumtaz Fazal Shaikh, Mr. Harish N Sureka, Dr. Beharam S. Pardiwalla and Ms. Yogita Muralidharan, Directors of the Company have resigned from the directorship.

Mr. Tushar V. Mathuria and Mr. Dharmendra Acharatlal Parekh, were appointed as Additional Directors of the Company on 28th March, 2012 and 14th August, 2012 respectively and It is proposed to appoint them as Directors liable retire by rotation at the ensuing Annual General Meeting.

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 at the end of the financial year 2011-2012 and of the profit and loss of the Company for the period;
- 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:

M/s. P. Jitender Reddy & Co, the Statutory Auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves 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 M/s. P. Jitender Reddy & Co, 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.

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 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 31.3.2012 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 (Previous Year Rs. Nil)	NIL
Foreign exchange earned (Previous Year Rs. Nil)	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 behalf of the Board of Directors

Sd/-
Tejesh Kumar Kodali
 Chairman & Managing Director

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

Place: Mumbai
 Dated: 01/06/2012

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 including 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, 2012 are given in table

Further, During the financial year 2011-12, Eight Board Meetings were held on 30th May 2011, 12th August, 2011, 14th November, 2011, 30th January, 2012, 03rd February, 2012, 14th February 2012, 05th March, 2012 and 24th March, 2012.

The last Annual General Meeting of the Company was held on 30th day of September, 2011. The Composition of the Board of Directors as on March 31, 2012 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 as on 31.03.12	Committee	
			Board Meeting	Last AGM		Positions Member	Chairman
Mr. Tejesh Kumar Kodali	Chairman & Managing Director	Non-Independent & Promoter	4	Yes	3	---	---
Mr. Shaikh Fazal Mehmood	Vice Chairman & Jt. Managing Director	Non-Independent & Promoter	8	Yes	---	---	---
Mr. Ramesh Gorantla	Executive Director	Non-Independent	3	---	2	---	---
Mr. Asokan Ganapathy	Executive Director	Non-Independent	1	---	---	---	---
Mr. Harish N Sureka	Non-Executive Director	Independent	4	---	---	---	---
Mr. Dileep Vastimal Mehta	Non-Executive Director	Independent	8	Yes	---	---	---
Dr. Beharam Shavak Pardiwalla	Non-Executive Director	Independent	4	---	---	---	---
Mrs. Mumtaz Fazal Shaikh	Non-Executive Director	Non-Independent & Promoter	4	Yes	---	---	---
Mr. Jaaved Jagdeep Jaferi	Non-Executive Director	Independent	2	---	---	---	---
Mrs. Yogita Muralidharan	Non-Executive Director	Independent	1	---	---	---	---

*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's 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

- The Audit Committee has been reconstituted in the Board Meeting held on 14th August, 2012.

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 2012 i.e. on 30th May 2011, 12th August, 2011, 14th November, 2011, and 14th February, 2012

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	4
Mr. Tushar Mathuria	Member	—
Mr. Dharmendra A. Parekh	Member	—
Dr. Beharam Shavak Pardiwala*	Member	3
Mr. Harish Surekha*	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 issue concerning the remuneration of whole-time/executive Directors.
- The Remuneration Committee has been reconstituted in the Board Meeting held on 14th August, 2012.

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.,

III. SHAREHOLDER'S / 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 Shareholders Grievance Committee has been reconstituted in the Board Meeting held on 14th August, 2012
- 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.

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, 2011 to 31st March 2012:

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

4. GENERAL BODY MEETINGS:

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

i) Annual General Meetings:

Financial Year	Location	Date	Time
2008-2009	S-19, Suyog Industrial Premises Co-Op society Ltd, 1 st Floor, L B S Road, Vikhroli (W), Mumbai – 400083	30 th September, 2009	11.00 am
2009-2010	S-19, Suyog Industrial Premises Co-Op society Ltd, 1 st Floor, L B S Road, Vikhroli (W), Mumbai – 400083	18 th September, 2010	10.30 am
2010-11	401, "Arcadia", 4 th Floor, 195, Nariman Point, Mumbai - 400 021	30 th September, 2011	10.00am

ii) Special Resolutions passed at the Last three AGM

Financial Year Particulars of Special Resolutions passed

Financial Year	Particulars of Special Resolutions passed
2008-2009	—
2009-2010	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Appointment of Mr. Asokan Ganapathy, as Executive Director liable to retire by rotation.

No Extraordinary General Meetings was held during the Financial Year ended 2011-12. 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, 2012.

5. OTHER DISCLOSURES:

- a. 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, 2012.
- b. 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 & Mumbai Mitra
Third Quarter	Un-Audited	The Asian Age & Prahar
Fourth Quarter/ Full year	Audited	The Asian Age & Aapla Mahanagar

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, 31st day of December, 2012 at 10.00 a.m.

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

(ii) Financial Calendar 2012 - 13 (Tentative)

Results for the quarter ending 30th June 2012 : Second week of August, 2012

Results for the quarter ending 30th Sep. 2012 : Second week of November, 2012

Results for the quarter ending 31st Dec. 2012 : Second week of February, 2013

Results for the year ending 31st Mar. 2013 : Last week of May, 2013

(iii) Book Closure Date : 22.12.2012 to 31.12.2012 (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 Annual listing fee as prescribed has been paid to the above Stock Exchanges where shares are listed up to 31st March, 2013.

- (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 Period	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr. 2011	19.30	15.95	19.50	16.00
May 2011	19.15	15.20	19.20	15.35
Jun. 2011	18.00	14.30	18.00	14.35
Jul. 2011	17.90	14.75	18.20	15.00
Aug. 2011	16.25	11.65	16.00	11.55
Sep. 2011	17.30	12.80	17.30	13.00
Oct. 2011	16.00	13.00	16.10	12.75
Nov. 2011	13.35	7.99	13.20	8.60
Dec. 2011	10.05	4.45	10.05	5.00
Jan. 2012	5.87	4.41	5.95	4.45
Feb. 2012	5.33	3.80	5.55	3.70
Mar. 2012	4.25	3.29	4.20	3.55

- (viii) **Registrars and Transfer Agents:** **Sharex Dynamic (India) Pvt. Ltd.**
(Share transfer and communication regarding share certificates, Dividends and change of address) 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 2012.

Range of Shareholding	No. of Shareholders	% of Shareholders	Total Nominal Value	% of Total
1-5000	2849	89.31	2262426.00	4.40
5001-10000	137	4.29	1055853.00	2.05
10001-20000	77	2.41	1098147.00	2.13
20001-30000	25	0.78	644065.00	1.25
30001-40000	14	0.44	485584.00	0.94
40001-50000	11	0.34	513563.00	1.00
50001-100000	24	0.75	1859909.00	3.61
100001 and above	53	1.66	43530453.00	84.61
Total	3190	100	51450000.00	100

(xi) Shareholding Pattern (Category Wise) as on 31st March 2012:

Category	No. of Shares	Percentage
Promoters	8360650	16.25
Venture Capital Funds/Mutual Funds / UTI & Banks	301001	0.59
Private Corporate Bodies	23424501	45.53
Resident Individuals	19100654	37.12
NRIs / FIIs	23658	0.05
Clearing Members	239536	0.46
Total :	51450000	100.00

(xii) Dematerialization of Shares & Liquidity:

Approximately 99.953% of the Equity Shares have been dematerialized upto 31st March, 2012 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).

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

Any query on Annual Report:

For Shares held in Demat Form:

To the Depository Participant

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

MANAGEMENT ANALYSIS & DISCUSSION REPORT

Cautionary Statement:

Readers of this annual report are hereby cautioned that the statements in this Management Discussion and Analysis might be forward looking in nature hence the investors are requested to exercise their own judgment in assessing the associated risks.

Industry Structure and Development

The global economy has seen unprecedented changes in the last decade. While there have been uncertainties in global economy including United States and Europe during the later part of the past decade, the emerging economies have shown resilience in retaining moderate to high growth levels. The Indian economy continues to show reasonably good overall growth despite the challenges faced. NASSCOM predicts that Indian IT & ITeS industry may grow to USD 225 billion by 2020. The key factors to achieve the growth are:

- **Broadening of services provided**
The Indian IT industry has made progress in moving towards high-end services such as consulting and system integration. The industry is focused on increasing domain expertise by creating center's of excellences with the aim of providing end-to-end solutions.

Additionally, highly skilled services like the Engineering design and R&D segment have started exhibiting accelerated growth. The strong growth has established India as a transformative player in the global sourcing arena with solutions addressing both cost and growth.

- **Improvement in demand scenario**
While, we saw a strong focus on cost and a revival of IT spending predominantly in BFSI, this year other mature verticals such as Manufacturing have also shown good growth, in-addition to improved demand from emerging verticals such as Retail, Utilities.

Outlook

The Company has a positive outlook for the coming year and endeavours to achieve a steady business performance in the coming year. This is however, subject to risks and uncertainties given below.

Opportunities & Threats

- Higher economic growth in developing markets, Developing markets are growing faster than the developed nations. Sustaining such high growth would require increase in competitiveness of local players. IT would play an important role in increasing competitiveness. Markets such as India,

Asia Pacific, Latin America are increasingly becoming important from the point of view of consumption of IT services.

- Increased adoption of off-shoring the global economy which was on a recovery mode post the recession continued to face challenges like those stemming from the European debt crisis, Japan calamity and other such events. Simultaneously, the continued thrust of global organizations towards costs and improving efficiencies, reflected in the uptick in discretionary spending, offers sufficient opportunity for growth. The Company views this as a good opportunity to improve and strengthen its customer base.
- Environment sustainability issues and emergence of new Technologies Increased environmental consciousness coupled with the search for more cost effective IT solutions have brought in a greater emphasis on "Green Technologies". Additionally, there is an increasing acceptance of cloud-based solutions that offer both flexibility and scalability. There is likely to be increasing interest in technology areas such as Cloud and Software as a Service ('SaaS') which will offer new opportunities for growth. The Company views these as a focus area and is taking active interest in developing and providing services in partnership with established product vendors.

Risks and Concerns

It is difficult to pen down the risks and uncertainties with certainty. They are not limited to risks and uncertainties regarding fluctuating in earnings, interest rates, exchange rates, the company's ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increase, earnings and exchange rate fluctuations, intense IT competition, Government policies, ability to attract and retain skilled professionals, time- cost over-runs on fixed price contracts, client concentration, ability to manage the international marketing and sales operations as well as the local operations, alterations of the government fiscal incentives, political instability, legal framework and above all general economic conditions affecting the industry

Internal Control System & Their Adequacy

The Company has a professional and an adequate internal control system and procedure commensurate with the size of organization and nature of business. This provides adequate safeguards and effective monitoring of the transactions. All areas of the company's operations are covered by such internal control systems.

**AUDITORS' REPORT ON CORPORATE
GOVERNANCE**
CEO CERTIFICATION

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

We have examined the compliance of conditions of Corporate Governance by Spectacle Infotek Limited., for the year ended on 31st March, 2012 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. Our 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 our opinion and best of our information and according to the explanations given to us to 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 we 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.

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

**FOR P. JITENDER REDDY & CO.,
CHARTERED ACCOUNTANTS**

Sd/-
P. JITENDER REDDY
PARTNER
M. NO: 200708

Place : Hyderabad.
Date : 01/06/2012

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, 2012 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 are 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.

**Place: Mumbai
Date: 01/06/2012**

**For Spectacle Infotek Ltd.
Sd/-
Shaikh Fazal Mehmood
Vice Chairman & Jt.
Managing Director**

AUDITOR'S REPORT

To
 The Members of
 SPECTACLE INFOTEK LIMITED.

1. We have audited the attached Consolidated Balance Sheet of M/S SPECTACLE INFOTEK LIMITED (Formerly known as *Spectacle Industries Limited*) as at 31st March, 2012 and also the Consolidated Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Financial statements of two foreign subsidiaries included in the consolidated financial statements were not audited by us, whose financial statements reflects the total assets of Rs 14,83,67,169/- as at 31st March, 2012 and the total revenue of Rs. 70,11,38,250/- for the year ended 31st March, 2012. These financial statements were audited by the other overseas auditors whose reports were furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from the financial statements of the subsidiaries is based solely on the report of such other auditors.
4. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section 227(4A) of Section 227 of 'The Companies Act, 1956' of India and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
5. Further to our Comments in the annexure referred to above:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our Audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - c) The Consolidated Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion the Consolidated Balance Sheet and Profit & Loss Account dealt with by this report complies with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) We do not have any observations or comments which have any adverse effect on the functioning of the company and requiring to be mentioned in thick type or in italics in terms of clause (e) of sub – section (3) of section 227 of the Companies Act, 1956.
 - f) On the basis of the written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In so far as it related to the Consolidated Balance Sheet, of the State of Affairs of the company as at 31st March, 2012 ;
 - ii. In so far as it relates to the Consolidated Profit & Loss Account, of the profit for the year ending on 31st March 2012 ; and
 - iii. In so far as it relates to the Cash Flow Statement, of the cash flow of the Company for the year ended on that date. **As the Cash flow statements of the Subsidiaries are not available, Cash Flow Statement is standalone.**

Place : Hyderabad
 Date : 01/06/2012

For P. JITENDER REDDY & Co.,
 Chartered Accountants
 Sd/-
 (P. Jitender Reddy)
 Proprietor
 Mem No : 200708

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 4 thereof of our Report of even date on the statements of Account of SPECTACLE INFOTEK LIMITED (Formerly known as Spectacle Industries Limited), as at, 31st March 2012.

As Required by the Companies (Auditors Report) Order, 2003 as Amended by the Companies (Auditors report) (Amended) Order, 2004 and on the basis of such checks as we considered appropriate, we further report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All fixed assets of the company have been physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such verification.
- c) A car for the value of Rs. 24,32,185/- has been purchased during the year and depreciation of Rs. 4,84,777.12/- has been debited to the profit and loss account. There is no change in the value of the other assets of the company.
2. a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b) The Procedure of Physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification of inventories as compared to book records and hence the question of whether the same have been properly dealt with the books of accounts does not arise.
3. a) During the year the company has (i) repaid an amount of Rs. 74,80,000/- to CTE Global Solutions towards loan taken from them where Mr. Kodali Tejesh Kumar (Managing Director of the company) is a director. In respect of the above loan, the maximum amount outstanding at any time during the year is Rs. 1,52,31,935/- and the year end balance is Rs. 80,11,935/- (ii) taken a loan of Rs. 1,24,59,505/- from Mr. Kodali Tejesh Kumar (Managing Director of the company) and repaid Rs. 25,57,355/- in respect of such loan. The maximum amount outstanding at any time during the year in respect of the loan taken from the said Managing Director is Rs. 1,58,15,632/-
- b) In our opinion and according to the information and explanations given to us, the interest was not charged on the above mentioned loan amounts.
- c) The Principal amounts are repayable on demand and there is no repayment schedule. The interest wherever applicable is also repayable on demand. So, the question of overdue amounts does not arise in respect of Principal and interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
5. a) In our opinion and according to the information and explanation given to us the particulars of contracts or arrangements referred to in Section 301 of the act have been entered in the register required to be maintained under that section. We have not observed any major weakness in the internal control system during the course of our audit.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of each party during the year have been made at arms length.
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 or any other relevant provisions of the companies Act, 1956.
7. **The Company does not have any formal internal audit system.**
8. The Central Government has not prescribed maintenance of cost records, Under section 209 (1)(d) of the companies Act, 1956 for any of the products of the company.
9. a) According to the information and explanations given to us, the following dues of income tax, TDS, professional tax, have not been deposited by the company.

Name of the Statute	Nature of the Due	Amount unpaid	Period to which the amounts relates (Assessment year)
Income Tax Act, 1961	Income Tax payment (incl. of Interest)	Rs. 30,15,747/-	AY 2011-12
Income Tax Act, 1961	Income tax payment (Excl of interest)	Rs. 30,02,007/-	AY 2012-13

AP Professional Tax Act, 1987	Professional Tax	Rs. 45,125/-	AY 2012-13
Service Tax	Service Tax	Rs. 5,94,423/-	AY 2012-13
Income Tax Act, 1961	TDS	Rs. 8,14,944/-	AY 2011-12
Income Tax Act, 1961	TDS	Rs. 6,90,522/-	AY 2012-13

10. In our Opinion, the company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions or banks or debentures holders.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of the activities, the Company is engaged in, does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. The company has maintained proper records of the transactions and contracts of its trading or dealing in shares, securities, debentures and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the company in its own name except to the extent of exemption granted under section 49 of The Companies Act, 1956. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year and hence the question of whether the terms and condition of the Guarantee given are prejudicial to the interest of the company does not arise.
16. The company did not have any term loan outstanding during the year except the Loan availed from HDFC Bank for the purchase of a car of Rs. 21,00,955/-, the outstanding balance of which as on 31.03.2012 is Rs. 18,81,708/-.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, the Company has not raised any funds on short term-basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Hence question of issue price of shares prejudicial to interest of the company does not arise.
19. During the year covered by our audit report, the Company has not issued secured debentures. Hence, the creation of security in respect of debentures is not applicable.
20. The Company has not raised any money through a public issue during the year.
21. During the Course of our examination of the books and records of the company, carried in accordance with the generally accepted Auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

for P. JITENDER REDDY & Co.,
Chartered Accountants

Sd/-
(P. Jitender Reddy)

Proprietor

Mem No: 200708

Place: Hyderabad

Date: 01/06/2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Notes No.	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	51,450,000	51,450,000
(b) Reserves and Surplus	2	43,850,978	33,012,561
(c) Money received against share warrants			
Sub - total - Shareholder's funds		95,300,978	84,462,561
(2) Share application money pending allotment		-	-
(3) Minority Interest		30,482,122	30,175,885
(4) Non-Current Liabilities			
(a) Long-term borrowings	3	24,526,930	21,231,029
(b) Deferred tax liabilities (Net)			-
(c) Other Long term liabilities	4	1,164,372,954	333,639,662
(d) Long-term provisions	5	-	-
Sub - total - Non current liabilities		1,188,899,883	354,870,691
(5) Current Liabilities			
(a) Short-term borrowings	6	10,720,501	-
(b) Trade payables		5,667,221	16,075,320
(c) Other current liabilities	7	13,125,711	10,404,115
(d) Short-term provisions	8	24,899,294	21,622,297
Sub - total - current liabilities		54,412,728	48,101,732
Total		1,369,095,711	517,610,869
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	2,567,964	1,072,814
(ii) Intangible assets	10	271,768	-
(iii) Capital work-in-progress	11	-	-
(iv) Intangible assets under development	12	-	-
(b) Non-current investments	13	3,025,250	3,025,250
(c) Deferred tax assets (net)		392,413	452,169
(d) Long term loans and advances	14	35,041,116	55,659,158
(e) Other non-current assets	15	89,840	179,680
Sub - total - Non current assets		41,388,350	60,389,071
(2) Current assets			
(a) Current investments	16	-	-
(b) Inventories	17	-	15,000,000
(c) Trade receivables	18	1,299,250,676	435,285,478
(d) Cash and cash equivalents	19	2,859,493	2,870,919
(e) Short-term loans and advances	20	16,357,736	4,065,401
(f) Other current assets		9,239,455	-
Sub - total - Non current assets		1,327,707,360	457,221,798
Total		1,369,095,711	517,610,869

As per our report of even date
For JITENDER REDDY & CO
 Chartered Accountants
 Sd/-
 (P. Jitender Reddy)
 Proprietor
 Date : 01/06/2012
 Place : Hyderabad

For and On behalf of the Board

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

Sd/-
 Tejesh Kodali
 Chairman &
 Managing Director

Sd/-
 Rohit Kudtarkar
 Company Secretary

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Notes No.	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
I. Revenue from operations	22	1,824,632,340	2,218,445,719
II. Other Income	23	843,734	10,312,164
III. Total Revenue (I + II)		1,825,476,074	2,228,757,883
IV. <i>Expenses:</i>			
Cost of Goods traded		1,731,274,796	2,106,322,589
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	25	8,958,343	7,059,566
Financial costs	24	6,731,258	7,740,343
Depreciation and amortization expense	27	779,994	1,943,062
Other expenses	26	73,437,396	89,875,996
Total Expenses		1,821,181,787	2,212,941,556
V. Profit before exceptional and extraordinary items and tax (III - IV)		4,294,287	15,816,327
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		4,294,287	15,816,327
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		4,294,287	15,816,327
X. Tax expense:			
(1) Current tax		3,002,007	13,606,194
(2) Deferred tax		59,756	(387,553)
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		1,232,524	2,597,686
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)		1,232,524	2,597,686
Less Provision for dividend		-	-
Provision for corporate dividend tax		-	-
Profit after tax and dividend		1,232,524	2,597,686
Share of profit or loss of associates			
Minority Interest		306,237	(1,393,194)
Pre acquisition profit		-	-
PROFIT AFTER TAXES (After Adjustment of Minority Interest)		926,287	3,990,880
BALANCE CARRIED TO BALANCE SHEET		926,287	3,990,880
XVI. Earning per equity share:			
(1) Basic		0.02	0.08
(2) Diluted			
XVII. 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

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As per our report of even date attached

For JITENDER REDDY & CO

Chartered Accountants

Sd/-

(P. Jitender Reddy)

Proprietor

Date : 01/06/2012

Place : Hyderabad

For and On behalf of the Board

Sd/-

Shaikh Fazal Mehmood

Vice Chairman &

JT. Managing Director

Sd/-

Tejesh Kodali

Chairman &

Managing Director

Sd/-

Rohit Kudtarkar

Company Secretary

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 1 Share Capital		
Equity Share Capital		
Authorised Share capital		
6,00,00,000 Equity Shares of Rs. 1/- each	60,000,000.00	60,000,000.00
Issued, subscribed & fully paid share capital	51,450,000.00	51,450,000.00
5,14,50,000 Equity Shares of Rs. 1/- each		
Calls unpaid	-	-
Forfeited shares	-	-
	51,450,000.00	51,450,000.00
Preference Share Capital		
Authorised Share capital	-	-
Preference Shares of Rs. 10/-@		
Issued, subscribed & fully paid share capital	-	-
Calls unpaid	-	-
Forfeited shares	-	-
	-	-
Total	51,450,000.00	51,450,000.00
Note: 2 Reserves and Surplus		
Capital Reserves	14,525,556.00	14,525,556.00
Surplus (i.e. balance in Statement of P & L)		
At the beginning of the year	14,174,064.16	10,183,184.00
Additions during the year	926,287.01	3,990,880.16
	15,100,351.17	14,174,064.16
Foreign Currency Translation Reserve	14,225,070.60	4,312,941.00
At the end of the year	29,325,421.77	18,487,005.16
Total	43,850,977.77	33,012,561.16
Note: 3 Long-term borrowings		
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	22,645,221.50	4,243,568.00
Otherloans and advances (specifyng nature)	-	16,987,461.00
Total	24,526,929.50	21,231,029.00
Note: 4 Other long term liabilities		
Trade payables	1,116,727,712.50	333,639,662.00
Trade payables	45,243,685.68	-
Long Term liabilites (subsidiaries)	2,401,555.38	-
Total	1,164,372,953.56	333,639,662.00

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 5 Long-term provisions		
Provision for employee benefits	-	-
Others	-	-
Total	-	-
Note: 6 Short-terms borrowings		
Secured		
from banks	-	-
from other parties	-	-
Unsecured		
Loans repayable on demand		
from banks	-	-
from other parties	370,501.24	-
Other loans and advances	10,350,000.00	-
Total	10,720,501.24	-
Note: 7 Other current liabilities		
Income received in advance	36,299.00	-
Other current liabilities	823,989.00	8,866,204.00
Current liabilities (subsidiaries)	10,120,409.12	
Other payables		
Duties and taxes payable	-	1,537,911.00
Service tax	594,422.92	-
Professional Tax	45,125.00	-
TDS payable	1,505,466.00	-
Current year taxes payable (Net of advance tax)	-	-
Total	13,125,711.04	10,404,115.00
Note: 8 Short-term provisions		
Provision for employee benefits	4,857,869.50	-
Others		
Income tax payable (subsidiary)	14,016,215.81	15,414,384.00
Income tax payable (A.Y. 2010-11)	-	2,968,447.00
Provision for incomex tax (FY 2010-11)	3,015,747.00	3,232,011.00
Provision for incomex tax (F.Y. 2011-12)	3,002,007.00	-
Provision for dividend	7,455.00	7,455.00
Total	24,899,294.31	21,622,297.00

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

Note: 9 and 10

Sl.No.	Fixed Assets	Rate of Depreciation	Gross Block			Accumulated Depreciation			Net Block	
			As at 31 March 2011	Additions/ (Disposals)	As at 31 March 2012	As at 31 March 2011	Depreciation charge for the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
			₹	₹	₹	₹	₹	₹	₹	
a	Tangible Assets									
	Computers and accessories	40%	499,758.00		499,758.00	301,220.0	117,267.4	418,487.38	198,538.00	
	Furniture	18.10%	464,181.00		464,181.00	434,624.0	5,010.9	439,634.89	29,557.00	
	Office Equipment	13.91%	143,652.00	3,750.0	147,402.00	36,225.0	14,661.8	50,886.75	107,427.00	
	Car	25.89%		2,432,185.0	2,432,185.00		484,777.1	484,777.12	-	
	Air Condtioner printers	13.91%			-			-	-	
		40%			-			-	-	
	Total		1,107,591.00	2,435,935.00	3,543,526.00	772,069.00	621,717.14	1,393,786.14	335,522.00	
	P.Y. Year		6,779,895.00	5,330,106.00	1,449,789.00	1,200,251.00	1,601,456.00	774,153.00	5,579,734.00	
b	Intangible Assets									
	Goodwill		-	-	-	-	-	-	-	
	Brands /trademarks		-	-	-	-	-	-	-	
	Web Site(Computer software)	40%	342,287.35	-	342,287.35	2,083.00	68,436.68	70,519.68	340,204.35	
	Mastheads and publishing titles		-	-	-	-	-	-	-	
	Mining rights		-	-	-	-	-	-	-	
	Copyrights, and patents and other intellectual property rights, services and operating rights		-	-	-	-	-	-	-	
	Recipes, formulae, models, designs and prototypes		-	-	-	-	-	-	-	
	Licenses and franchise		-	-	-	-	-	-	-	
	Others (specify nature)		-	-	-	-	-	-	-	
	Total		342,287.35	-	342,287.35	2,083.00	68,436.68	70,519.68	340,204.35	
c	Capital Work In Progress									
	Total		-	-	-	-	-	-	-	
d	Intangible assets under Development									
			-	-	-	-	-	-	-	
	Total		1,449,878.35	2,435,935.00	3,885,813.35	774,152.00	690,153.82	1,464,305.82	675,726.35	

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 11 Capital Work - in - progress		
Building under construction	-	-
Machinery under installation	-	-
Total	-	-

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 12 Intangible assets under development	-	-
Total	-	-
Note: 13 Non-current investments		
Investments in Equity instruments	3,025,250.00	3,025,250.00
Other non-current investments		
Total	3,025,250.00	3,025,250.00
Note: 14 Long Term Loans and Advances		
Secured considered good		
Security Deposits (Sub Note: 2)	1,599,768.00	-
Other loans and advances	-	55,659,158.00
Sub Total	1,599,768.00	55,659,158.00
Unsecured considered good		
Other loans and advances (Sub Note: 1)	33,441,347.50	-
Sub Total	33,441,347.50	-
Doubtful		
Other loans and advances	-	-
Sub Total	-	-
Total	35,041,115.50	55,659,158.00
Note: 15 Other non-current assets		
Misc Expenditure (to the extent not written off or adjusted)	-	-
Right issue Expenses	179,680.00	521,286.00
Less; Written off during the year	89,840.00	341,606.00
Total	89,840.00	179,680.00
Note: 16 Current Investments		
Investments in Equity instruments	-	-
Other current investments	-	-
Total	-	-
Note: 17 Inventories		
Raw materials (includes Goods in transit)	-	-
Work in progress (includes goods in transit)	-	15,000,000.00
Others	-	-
Total	-	15,000,000.00

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 18 Trade receivables		
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	434,851,729.00
Unsecured - considered good	-	-
Unsecured - considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	376,273,335.00	434,851,729.00
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured - considered good	786,762,220.26	433,749.00
Subsidiaries trade receivables	136,215,121.18	-
Unsecured - considered good	-	-
Less: Provision for doubtful debts	-	-
	922,977,341.44	433,749.00
Total	1,299,250,676.44	435,285,478.00
Note: 19 Cash and cash equivalents		
(a) Balances with banks (includes earmarked balances)		
Union Bank of India (Malad West)	14,154.59	48,027.00
Union Bank of India (Nariman Point)	228,168.38	126,491.00
Axis bank Ltd	40,820.62	603,960.00
Axis bank Ltd	8,146.50	-
HDFC Bank Dividend A/c	7,575.00	7,575.00
Central Bank Of India	13,052.00	14,762.00
(b) Cash on hand	53,206.13	2,070,104.16
Cash on hand (subsidiary)	2,494,369.60	-
(c) Others if any (specify nature)	-	-
Total	2,859,492.82	2,870,919.16
Note: 20 Short term loans and advances		
Loans and advances	14,653,200.00	-
(Secured/ Unsecured/ Doubtful)		
Receivable from Revenue Authorities	1,162,318.05	4,065,401.00
Others	542,218.00	-
Current year taxes recoverable	-	-
Total	16,357,736.05	4,065,401.00

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 21 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
Claims against the company not acknowledged as debt	-	-
Guarantees	-	-
Other money for which the company is contingently liable	-	-
Sub Total	-	-
Commitments		
Estimated amount of contracts unexecuted on capital account	-	-
Uncalled liability on shares and other investments partly paid	-	-
Other commitments	-	-
Sub Total	-	-
Total	-	-
Note: 22 Revenue from Operations (for companies other than a finance company)		
Revenue from - Sales - Trading	1,102,664,590.00	1,521,502,772
Sales - Software	721,967,750.00	696,942,947.00
Other operating revenues	-	-
Less: Excise Duty	-	-
Total	1,824,632,340.00	2,218,445,719.00
Note: 23 Othe Income		
Interest income		
Interest on Loan	627,710.00	2,044,368.00
Interest on Bank FDR's	-	13,914.00
Divident income	-	-
Dividend from Indian Companies	-	7,575.00
Commission	-	6,186,371.00
Construction Equipment Rent	-	2,049,000.00
Net gain/ loss on sale of investments	-	-
Other non-operating income (net of expenses directly attributable to such income)	216,024.00	10,936.00
Total	843,734.00	10,312,164.00
Note: 24 Finance Costs		
Bank charges	16,494.77	21,356.00
Interest to Bank	157,113.00	7,437,307.00
Other Interest	6,557,650.00	281,680.00
Other borrowing costs	-	-
Applicable net gain/ loss on foreign currency transactions/ traslation	-	-
Total	6,731,257.77	7,740,343.00

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 25 Employee Benefits Expense		
Salaries and wages	7,599,329.10	5,961,866.00
Director Remuneration	1,200,000.00	1,097,700.00
Contribution to provident and other funds	-	-
Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	-	-
Staff welfare expenses	159,014.00	-
Total	8,958,343.10	7,059,566.00
Note: 26 Other Expenses		
Administrative Expenses	64,961,318.00	75,025,721.00
Advertising expenses	-	582,807.00
Auditors remuneration	100,000.00	100,000.00
Business Promotion expenses	271,081.06	-
Consultancy Charges	22,167.00	-
Conveyance, Travelling and vehicle maintenance	1,159,142.60	2,434,516.00
Electricity Charges	565,505.29	633,774.00
General Expenses	-	185,855.00
General meeting expenses	2,689.00	-
Interest on Service Tax & TDS	390,697.08	-
Interest	52,800.00	-
Legal & Professional Charges	2,165,354.41	1,680,400.00
Loss on sale of fixed assets	-	1,192,320.00
Miscellaneous Expenses	167,838.23	-
Office Maintenance	350,306.15	661,095.00
Postage and Courier Charges	46,283.00	72,211.00
Printing and Stationary	183,956.19	405,986.00
Professional Taxes	2,500.00	-
Registration & Filing Fee	153,368.00	286,256.00
Rent, rates and taxes	2,484,259.00	5,180,483.00
Repairs & Maintenance	7,171.00	331,690.00
Software Development Expenses	-	852,774.84
Telephone Expenses	350,960.35	250,107.00
Total	73,437,396.36	89,875,995.84
Note: 27 Depreciation and Amortisation Expense		
Depreciation	690,153.82	1,601,456.00
Preliminary and Pre - operative expenses written off	89,840.00	341,606.00
Total	779,993.82	1,943,062.00

As per our report of even date
For JITENDER REDDY & CO
 Chartered Accountants
 Sd/-
 (P. Jitender Reddy)
 Proprietor
 Date : 01/06/2012
 Place : Hyderabad

For and On behalf of the Board

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

Sd/-
 Tejesh Kodali
 Chairman &
 Managing Director

Sd/-
 Rohit Kudtarkar
 Company Secretary

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012
Note: 13 Non Current Investment

Particulars	Nos.	Cost as on 31.03.2012	Nos.	Cost as on 31.03.2011
Unquoted shares				
The Greater Bombay Co. Op. Bank Ltd., Shree Swasthik Buildcon Pvt. Ltd	1,010 30,000	25,250 3,000,000	1,010 30,000	25,250 3,000,000
Total	31,010	3,025,250	31,010	3,025,250

SUB NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Sub Note 1: Loans & Advances		
BLC Trading & Agencies Pvt Ltd	9,726,181	12,366,181
G Karhtik Kishan	-	15,000
NMC Industries	114,658	114,658
Neevan Capital Market Pvt Ltd	15,626,900	16,606,900
SRBH Engineering & Equipment Pvt Ltd	306,332	1,107,840
Suvidha Securities Pvt Ltd	-	82,110
Taibani Muhammad Zuber Ahmed	1,681,235	1,766,550
Salary Advance	-	(127,421)
Wilson	5,000,000	-
Other Advances	986,042	14,001,000
	33,441,348	45,932,818
Sub Note 2 : DEPOSITS		
Office Securities Deposits(Narendra Ganatra)	1,475,000	1,475,000
ONGC Security Deposit	75,718	75,718
Rental Deposit	-	1,000,000
Telephone Deposit	24,050	24,050
Other deposit	25,000	-
	1,599,768	2,574,768

As per our report of even date
For JITENDER REDDY & CO
 Chartered Accountants
 Sd/-
 (P. Jitender Reddy)
 Proprietor
 Date : 01/06/2012
 Place : Hyderabad

For and On behalf of the Board

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

Sd/-
 Tejesh Kodali
 Chairman &
 Managing Director

Sd/-
 Rohit Kudtarkar
 Company Secretary

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Notes	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	51,450,000	51,450,000
(b) Reserves and Surplus	2	18,590,168	18,038,165
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	24,526,930	18,940,552
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	1,116,727,713	332,299,996
(d) Long-term provisions	5	-	-
(4) Current Liabilities			
(a) Short-term borrowings	6	10,720,501	-
(b) Trade payables		5,667,221	3,527,999
(c) Other current liabilities	7	3,005,302	1,546,808
(d) Short-term provisions	8	10,883,079	7,739,794
Total		1,241,570,912	433,543,313
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	9	2,149,740	335,522
(ii) Intangible assets	10	271,768	340,204
(iii) Capital work-in-progress	11	-	-
(iv) Intangible assets under development	12	-	-
(b) Non-current investments	13	23,867,621	23,867,621
(c) Deferred tax assets (net)		392,413	452,169
(d) Long term loans and advances	14	35,041,115	33,724,878
(e) Other non-current assets	15	89,840	179,680
(2) Current assets			
(a) Current investments	16	-	-
(b) Inventories	17	-	15,000,000
(c) Trade receivables	18	1,163,035,555	340,739,389
(d) Cash and cash equivalents	19	365,124	829,628
(e) Short-term loans and advances	20	16,357,736	18,074,221
(f) Other current assets		-	-
Total		1,241,570,912	433,543,313

As per our report of even date attached

For JITENDER REDDY & CO

Chartered Accountants

Sd/-

(P. Jitender Reddy)

Proprietor

Date : 01/06/2012

Place : Hyderabad

For and On behalf of the Board

Sd/-

Shaikh Fazal Mehmood

Vice Chairman &

JT. Managing Director

Sd/-

Tejesh Kodali

Chairman &

Managing Director

Sd/-

Rohit Kudtarkar

Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Notes	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
I. Revenue from operations	22	1,123,494,090	1,528,132,766
II. Other Income	23	843,734	10,312,166
III. Total Revenue (I +II)		1,124,337,824	1,538,444,932
IV. <i>Expenses:</i>			
Cost of Goods traded		1,102,336,040	1,505,635,485
Purchase of Stock-in-Trade			-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
Employee benefit expense	25	8,958,343	7,059,566
Financial costs	24	173,608	634,675
Depreciation and amortization expense	27	779,994	1,943,062
Other expenses	26	8,476,073	14,850,276
Total Expenses		1,120,724,058	1,530,123,064
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,613,766	8,321,868
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		3,613,766	8,321,868
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		3,613,766	8,321,868
X. Tax expense:			
(1) Current tax		3,002,007	3,015,747
(2) Deferred tax		59,756	(387,553)
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		552,003	5,693,674
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)		552,003	5,693,674
XVI. Earning per equity share:			
(1) Basic		0.0107	0.111
(2) Diluted			

The Accompanying notes are an integral part of
 Financial Statements

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As per our report of even date attached

For JITENDER REDDY & CO

Chartered Accountants

Sd/-
 (P. Jitender Reddy)

Proprietor

Date : 01/06/2012

Place : Hyderabad

For and On behalf of the Board

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

Sd/-
 Tejesh Kodali
 Chairman &
 Managing Director

Sd/-
 Rohit Kudtarkar
 Company Secretary

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 1 Share Capital		
Equity Share Capital		
Authorised Share capital		
6,00,00,000 Equity Shares of Rs. 1/- each	60,000,000.00	60,000,000.00
Issued, subscribed & fully paid share capital	51,450,000.00	51,450,000.00
5,14,50,000 Equity Shares of Rs. 1/- each		
Calls unpaid	-	-
Forfeited shares	-	-
	51,450,000.00	51,450,000.00
Preference Share Capital		
Authorised Share capital	-	-
Preference Shares		
Issued, subscribed & fully paid share capital	-	-
Calls unpaid	-	-
Forfeited shares	-	-
	-	-
Total	51,450,000.00	51,450,000.00
Note: 2 Reserves and Surplus		
Surplus (i.e. balance in Statement of P & L)		
At the beginning of the year	18,038,165.00	12,344,491.00
Additions during the year	552,002.60	5,693,674.00
At the end of the year	18,590,167.60	18,038,165.00
Total	18,590,167.60	18,038,165.00
Note: 3 Long-term borrowings		
Secured		
Term Loans		
- from banks	1,881,708.00	-
- from other parties	-	-
Unsecured		
Term Loans		
- from banks	-	-
- from other parties	-	440,049.00
Loans and advances from related parties	22,645,221.50	18,500,503.00
Long term maturities of finance lease obligations	-	-
Other loans and advances (specifyng nature)	-	-
Total	24,526,929.50	18,940,552.00
Note: 4 Other long term liabilities		
Trade payables	1,116,727,712.50	332,299,996.00
Total	1,116,727,712.50	332,299,996.00

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 5 Long-term provisions		
Provision for employee benefits	-	-
Others	-	-
Total	-	-
Note: 6 Short-terms borrowings		
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	10,350,000.00	-
Total	10,720,501.24	-
Note: 7 Other current liabilities		
Income received in advance	36,299.00	-
Other payables	823,989.00	
Withholding taxes & Other liabilities		
Service tax	594,422.92	715,364.00
Professional tax payable	45,125.00	16,500.00
TDS payable	1,505,466.00	814,944.00
Current year taxes payable (Net of advance tax)	-	-
Total	3,005,301.92	1,546,808.00
Note: 8 Short-term provisions		
Provision for employee benefits	4,857,869.50	1,748,145.00
Others		
Provision for Dividend	7,455.00	7,455.00
Provision for Income Tax for the F.Y. 2010-11	3,015,747.00	5,984,194.00
Provision for Income Tax for the F.Y. 2011-12	3,002,007.00	-
Total	10,883,078.50	7,739,794.00

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

Note: 9 & 10

Sl.No.	Fixed Assets	Rate of Depreciation	Gross Block			Accumulated Depreciation			Net Block	
			As at 31 March 2011	Additions/ (Disposals)	As at 31 March 2012	As at 31 March 2011	Depreciation charge for the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
a	Tangible Assets									
	Computers and accessories	40%	499,758.00		499,758.00	301,220.0	117,267.4	418,487.38	81,270.62	198,538.00
	Furniture	18.10%	464,181.00		464,181.00	434,624.0	5,010.9	439,634.89	24,546.11	29,557.00
	Office Equipment	13.91%	143,652.00	3,750.0	147,402.00	36,225.0	14,661.8	50,886.75	96,515.25	107,427.00
	Car	25.89%		2,432,185.0	2,432,185.00		484,777.1	484,777.12	1,947,407.88	-
	Air Condtioner printers	13.91%			-			-	-	-
	Total		1,107,591.00	2,435,935.00	3,543,526.00	772,069.00	621,717.14	1,393,786.14	2,149,739.86	335,522.00
	P.Y. Year		6,779,895.00	5,330,106.00	1,449,789.00	1,200,251.00	1,601,456.00	774,153.00	675,726.00	5,579,734.00
b	Intangible Assets									
	Goodwill		-	-	-	-	-	-	-	-
	Brands /trademarks		-	-	-	-	-	-	-	-
	Web Site(Computer software)	40%	342,287.35	-	342,287.35	2,083.00	68,436.68	70,519.68	271,767.67	340,204.35
	Mastheads and publishing titles		-	-	-	-	-	-	-	-
	Mining rights		-	-	-	-	-	-	-	-
	Copyrights, and patents and other intellectual property rights, services and operating rights		-	-	-	-	-	-	-	-
	Recipes, formulae, models, designs and prototypes		-	-	-	-	-	-	-	-
	Licenses and franchise		-	-	-	-	-	-	-	-
	Others (specify nature)		-	-	-	-	-	-	-	-
	Total		342,287.35	-	342,287.35	2,083.00	68,436.68	70,519.68	271,767.67	340,204.35
c	Capital Work In Progress									
	Total		-	-	-	-	-	-	-	-
d	Intangible assets under Development									
	Total		1,449,878.35	2,435,935.00	3,885,813.35	774,152.00	690,153.82	1,464,305.82	2,421,507.53	675,726.35

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 11 Capital Work - in - progress		
Building under construction	-	-
Machinery under installation	-	-
Total	-	-
Note: 12 Intangible assets under development		
Total	-	-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 13 Non-current investments		
Investments in Equity instruments	23,867,621.00	23,867,621.00
Other non-current investments	-	-
Total	23,867,621.00	23,867,621.00
Note: 14 Long Term Loans and Advances		
Secured considered good		
Security Deposits	1,599,768.00	2,599,768.00
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	-	-
Sub Total	1,599,768.00	2,599,768.00
Unsecured considered good		
Loans and advances to related parties	-	-
Other loans and advances	33,441,347.05	31,125,110.00
Sub Total	33,441,347.05	31,125,110.00
Doubtful		
Loans and advances to related parties	-	-
Other loans and advances	-	-
Sub Total	-	-
Total	35,041,115.05	33,724,878.00
Note: 15 Other non-current assets		
Misc Expenditure (to the extent not written off or adjusted)		
Right issue expenses	179,680.00	521,286.00
Less: Written off during the year	89,840.00	341,606.00
Total	89,840.00	179,680.00
Note: 16 Current Investments		
Investments in Equity instruments	-	-
Other current investments	-	-
Total	-	-
Note: 17 Inventories		
Work in progress (includes goods in transit)	-	15,000,000.00
Others	-	-
Total	-	15,000,000.00

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 18 Trade receivables		
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	340,305,640.00
Unsecured - considered good	-	-
Unsecured - considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	376,273,335.00	340,305,640.00
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured - considered good	786,762,220.26	433,749.00
Unsecured - considered good	-	-
Unsecured - considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	786,762,220.26	433,749.00
Total	1,163,035,555.26	340,739,389.00
Note: 19 Cash and cash equivalents		
(a) Balances with banks (includes earmarked balances)		
Union Bank of India (Malad West)	14,154.59	48,027.00
Union Bank of India (Nariman Point)	228,168.38	126,491.00
Axis bank Ltd	40,820.62	603,960.00
Axis bank Ltd	8,146.50	-
HDFC Bank Dividend A/c	7,575.00	7,575.00
Central Bank Of India	13,052.00	14,762.00
(b) Cash on hand	53,206.13	28,813.00
(c) Others if any (specify nature)	-	-
Total	365,123.22	829,628.00
Note: 20 Short term loans and advances		
Loans and advances (Secured/ Unsecured/ Doubtful)	14,653,200.00	14,001,000.00
Receivable from Revenue Authorities	1,162,318.05	4,049,293.00
Others	542,218.00	23,928.00
Current year taxes recoverable	-	-
Total	16,357,736.05	18,074,221.00

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 21 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
Claims against the company not acknowledged as debt	-	-
Guarantees	-	-
Other money for which the company is contingently liable	-	-
Sub Total	-	-
Commitments		
Estimated amount of contracts unexecuted on capital account	-	-
Uncalled liability on shares and other investments partly paid	-	-
Other commitments	-	-
Sub Total	-	-
Total	-	-
Note: 22 Revenue from Operations (for companies other than a finance company)		
Revenue from - Sale of products	1,102,664,590.00	1,521,502,772.00
Sale of services	20,829,500.00	6,629,994.00
Other operating revenues	-	-
Less: Excise Duty	-	-
Total	1,123,494,090.00	1,528,132,766.00
Note: 23 Othe Income		
Interest income	627,710.00	2,058,282.00
Divident income	-	7,575.00
Net gain/ loss on sale of assets	-	6,186,371.00
Rental Income from construction equipment	-	2,049,000.00
Other non-operating income (net of expenses directly attributable to such income)	216,024.00	10,938.00
Total	843,734.00	10,312,166.00
Note: 24 Finance Costs		
Bank charges	16,494.77	21,356.00
Interest to Bank	157,113.00	331,639.00
Other borrowing costs	-	281,680.00
Applicable net gain/ loss on foreign currency transactions/ traslation	-	-
Total	173,607.77	634,675.00

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Figures for the current reporting period 31.03.2012	Figures for the previous reporting period 31.03.2011
Note: 25 Employee Benefits Expense		
Salaries and wages	7,599,329.10	5,961,866.00
Directors Remuneration	1,200,000.00	1,097,700.00
Contribution to provident and other funds	-	-
Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	-	-
Staff welfare expenses	159,014.00	-
Total	8,958,343.10	7,059,566.00
Note: 26 Other Expenses		
Advertising expenses	-	582,807.00
Auditors remuneration	100,000.00	100,000.00
Business Promotins Exp	271,081.06	-
Consultancy Charges	22,167.00	-
Conveyance, Travelling & Vehicle Maintenance	1,159,142.60	2,434,516.00
Electricity Charges	565,505.29	633,774.00
General Expenses	-	185,854.00
General Meeting Exp	2,689.00	-
Interest on Service Tax & TDS	390,697.08	-
Interest	52,800.00	-
Legal & Professional Charges	2,165,354.41	1,680,400.00
Loss on sale of fixed assets	-	1,192,320.00
Miscellaneous expenses	167,833.23	-
Office Maintenance	350,306.15	661,095.00
Postage and Courier Charges	46,283.00	72,211.00
Printing and Stationary	183,956.19	405,986.00
Professional Taxes	2,500.00	-
Registration & Filing Fee	153,368.00	286,258.00
Rent, Rates and Taxes	2,484,259.00	5,180,483.00
Repairs and Maintenance	7,171.00	331,690.00
Software Development Expenses	-	852,775.00
Telephone & Internet Expenses	350,960.35	250,107.00
Total	8,476,073.36	14,850,276.00
Note: 27 Depreciation and Amortisation Expense		
Depreciation	690,153.82	1,601,456.00
Preliminary and Pre - operative expenses written off	89,840.00	341,606.00
Total	779,993.82	1,943,062.00

Fixed Assets and Depreciation as per Income Tax Act, 1961

Sl.No.	Particulars	Rate of Depreciation	W.D.V As on 01.04.2011	Additions during the year		Total As on 31.03.2012	Dep for the Year	W.D.V As on 31.03.2012
				Before 27 Sept 2011	After 27 Sept 2011			
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Office Premises	10%	0.00	0.00	0.00	0.00	0.00	0.00
2	Furniture & Fixtures	10%	103398.30	0.00	0.00	103398.30	10339.83	93058.47
3	Computers and accessories	60%	355194.21	332543.00	278406.58	966143.79	496164.30	469979.49
4	Office Equipments	15%	79357.85	28000.00	25400.00	132757.85	18008.68	114749.17
5	Car	15%	2432185.00	0.00	0.00	2432185.00	364827.75	2067357.25
	Total		2970135.36	360543.00	303806.58	3634484.94	889340.56	2745144.38

CASH FLOW STATEMENT FOR THE PERIOD ENDNG 31ST MARCH 2012

PARTICULARS	Current Year Rs.	Previous Year Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss before tax and extraordinary item	3,613,761.00	8,321,868.00
<u>Add Adjustments for</u>		
Depreciation	690,154.00	1,601,456.00
Extra Ordinary Items	-	-
Loss / (Profit) on sale of Share & Securitites	-	-
Loss / (Profit) on sale of Fixed Assets	-	1,192,320.00
Preliminary Expenses Written Off	89,840.00	341,606.00
Interest & Financial Charges	617,056.00	634,675.00
Interest, Dividend & Other Income	(843,734.00)	(10,301,227.00)
Prior period Item	-	(9,936.00)
Operating Profit before working capital changes	4,167,077	1,780,762.00
<u>Adjustments for</u>		
(Increase) Decrease in Trade Debtors	(807,296,167.00)	(337,658,671.00)
(Increase) Decrease in Inventories/ WIP		(14,114,600.00)
(Increase) Decrease in Advances & Receivables		(18,424,240.00)
Increase (Decrease) in Current Liabilitites	791,033,088.00	337,963,796.00
Cash Generated from Operations	(12,096,002)	(30,452,953.00)
Taxes & Dividend Paid		2,077,170.00
Cash Flow from Operating Activities	(12,096,002.00)	(32,530,123.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Fixed Assets	(2,435,935.00)	2,227,423.00
Sale of Investment*	-	-
Purchase of Investment*	-	-
*Including Amount paid for share Application Money	-	-
Income from Shares & Securities	-	-
Net Interest, Dividend & Other Income	629,530.00	6,830,403.00
Cash flow from Investing Activities	(1,806,405.00)	9,057,826.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds for issuance of Capital	-	-
Payment of Preliminary Expenses	-	-
Loan taken	29,092,025.00	18,628,232.00
Loan repaid	(15,037,355.00)	(6,112,308.00)
Interest and Finance Charges	(616,768.00)	(634,675.00)
Cash flow from Financing Activities	13,437,902.00	11,881,249.00
Net Increase in Cash & Cash Equivalents (A+B+C)	(464,505.00)	(11,591,048.00)
Cash & Cash Equivalents (Openenig)	829,628.00	12,420,673.00
Cash & Cash Equivalents (Closing)	365,123.00	829,625.00

For JITENDER REDDY & CO

Chartered Accountants

 Sd/-
 (P. Jitender Reddy)
 Proprietor
 Date : 01/06/2012
 Place : Hyderabad

For and On behalf of the Board

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

 Sd/-
 Tejesh Kodali
 Chairman &
 Managing Director

 Sd/-
 Rohit Kudtarkar
 Company Secretary

Note.No.28: Notes to Accounts**Statement of Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements for the period ended March 31, 2012.****Principles of Consolidation:**

The Consolidated Financial statements relate to Spectacle Infotek Limited, the company, and its following Subsidiaries:

Sl. No	Name of the Subsidiary Company	Country of Incorporation	Portion of Ownership Interest	Financial Year Ended on
1	Amsol, Inc.	USA	55 %	31 st March 2012
2	United Consultancy Services, Inc.	USA	55 %	31 st March 2012

A. SIGNIFICANT ACCOUNTING POLICIES:**1. Principles of Consolidation:**

- a). The Financial statements of the company and its subsidiary companies are combined on a line- by- line 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 and unrealized gain or loss in accordance with accounting Standard (AS-21) – “ Consolidated Financial Statements”.
 - b). In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at an average rate prevailing during the year. All assets are converted at rates prevailing at the end of the year. Any exchange arising during consolidation is recognized in the exchange fluctuation reserve.
 - c). 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.
 - d). Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
 - e). Minority Interest’s share of net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet separate from the liabilities and equity of the Company’s shareholders.
 - f). 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. The financial statements are prepared under the historical cost convention on accrual basis and in accordance with generally accepted accounting principles in India.
- 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 include balances which are both current and non current in nature. 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. 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.

12. 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.

15. Earning per share:

Profit After Extra Ordinary Items	Rs. 5,52,003/-
Weighted Average No. of equity shares	5,14,50,000

EPS 0.01

EPS is Rs. 0.01 having face value of Re.1, and paid up value of Re. 1.

Previous year: - Earning per share (Reported) Rs.(0.11) and earnings per share (Restated) Rs. (0.11)

16. Quantitative Information:- (As Certified by the Management and relied upon by the Auditor)

Licensed capacity : Not Applicable

Installed Capacity : _____

Actual Production : _____

Quantitative and Turnover Information : _____

Consumption of Raw material : _____

17. Earnings in Foreign Exchange - NIL

18. Expenditure in Foreign Exchange - NIL

19. Payments to auditors:

	<u>2011-12</u>	<u>2010-11</u>
(a) as auditor	75,000	75,000
(b) as adviser ,or in any other capacity, In respect of—		
(i) Taxation matters	15,000	15,000
(ii) Company law matters	10,000	10,000
(iii) Management services	Nil	Nil
(c) In any other manner	Ni	Nil
(d) Service tax	Nil	Nil
 Total	 <u>1,00,000</u>	 <u>1,00,000</u>

20. Outstanding dues of SSI Units:

The Company has no information as to weather 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. 3,92,413/- . No Deferred tax Liability / Asset have been estimated for Amsol Inc. and United Consultancy Services Inc.,

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 2011-12.
25. Current Assets, Loan & Advances and Provisions :
- i) The Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
 - ii) 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.

For JITENDER REDDY & CO

Chartered Accountants

Sd/-
(P Jitender Reddy)
Proprietor
Date : 01/06/2012
Place : Hyderabad

For and On behalf of the Board

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

Sd/-
Tejesh Kodali
Chairman &
Managing Director

Sd/-
Rohit Kudtarkar
Company Secretary

Note No. : 28 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:
- 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.

NOTES ON ACCOUNTS TO CONSOLIDATE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Amsol, Inc, USA, and United consultancy services Inc, USA subsidiary companies have been considering in the consolidated financial statements. As required by Accounting Standard (AS-) on Accounting for Investment in Associates in consolidated financial statements issued by the Institute of Chartered Accountants of India (ICAI), the carrying amount of investments in associates at the beginning of the year have been restated by applying “equity Method” of accounting from date of acquisition of the associates and corresponding adjustments have been made to the retained earnings at the beginning of the year after eliminating unrealized profits , if any.

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.

Revenue Recognition:

- i) Income from software development is accounted for on the basis of software developed and billed to client on accepted and / or on the basis of man days / man hours as per the terms of contract.
- ii) Revenue from professional services consist primarily of revenue earned from services performed on a ‘ time and material’ basis. The related revenue is recognized as and when the services are performed.
- iii) Revenue form software development services include revenue from time and material and fixed price contract are recognized as related services are performed.

- iv) Revenue on fixed price contracts is recognized in accordance with percentage of completion and method of account.
- v) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of amounts are not certain.

Foreign Exchange Transaction:

- i) Realized gains & loss in foreign exchange transactions are recognized in profit & loss account. However in case of 55 % subsidiaries have been reflected in the foreign Exchange Fluctuation reserve Account.
- ii) Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance sheet date.

Investment:

Investments are stated at cost .i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable.

Fixed asset:

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation and Amortization:

- i) Depreciation is provided on straight line method on pro rate basis and at the rates and manner specified in the Schedule XIV of the companies Act, 1956.
- ii) Preliminary Expenses are amortized over the period of 5 years.

Capital Work – in – Progress:

The capital work in progress includes cost of fixed assets under installation, advances for capital goods and un allocated expenditure.

Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulation applicable in the Company. Deferred tax and liability is recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statement. Deferred tax asset & liability are measured as per the tax rates / laws that have been enacted or substantively.

Earning per Share:

The earning considered in ascertaining the companies earning per share comprise net after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

Gratuity:

The Provisions for gratuity and leave encashment is calculated as per accrual method and included in current liability & provision.

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

Sl No	Particulars	Amsol, Inc	United Consultancy Services, Inc.
1	Financial year	31.03.2012	31.03.2012
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, 2012	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, 2012.	₹ 3,03,138.00	₹ 97,407.00
b)	For the previous financial year of the subsidiary since it became a subsidiary	₹ 3,20,80,629.00	₹ 95,84,469.00
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 = 51.16

Sl No	Description	Amsol, Inc.	United Consultancy Services, Inc.
1	Capital	51,126.00	51,156.00
2	Reserves & Surpluses	5,88,79,578.00	1,76,03,412.00
3	Total Assets	12,35,35,753.00	2,48,31,416.00
4	Total Liabilities	12,35,35,753.00	2,48,31,416.00
5	Details of Investment	Nil	Nil
6	Turnover	63,98,38,133.00	
7	Profit after taxation	5,15,032.00	1,65,495.00
8	Proposed Dividend	Nil	Nil

For JITENDER REDDY & CO

Chartered Accountants

Sd/-

(P. Jitender Reddy)

Proprietor

Date : 01/06/2012

Place : Hyderabad

For and On behalf of the Board

Sd/-

Shaikh Fazal Mehmood

Vice Chairman &

JT. Managing Director

Sd/-

Tejesh Kodali

Chairman &

Managing Director

Sd/-

Rohit Kudtarkar

Company Secretary

SPECTACLE INFOTEK LTD.

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 Seventh Annual General Meeting of the company to held on Monday 31st Day of December, 2012 at the Registered Office of the Company at No.1, 1st Floor, 22/24/26, Shipping House, Kumpta Street, Fort, Mumbai - 400 001, at 10:00 am and any adjournment thereof.

Signed this _____ day of _____ 2012

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.

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

27th 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 No.1, 1st Floor, 22/24/26, Shipping House, Kumpta Street, Fort, Mumbai - 400001 on Monday 31st Day of December, 2012.

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,
Kumta Street, Fort, Mumbai - 400 001

Tel.: 2265 6051 / 52 Fax : 2265 8489

E-mail : info@specinfotek.com

Website : www.specinfotek.com