

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SPECTACLE VENTURES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying Financial Statements of Spectacle Ventures Limited ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and as per the section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view and are in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31- March, 2017.
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters:

- i. The net worth of the overseas companies in which the Company has invested extent to Rs 208.43 Lacs is completely eroded and hence raises doubts on the carrying cost of the same in the books of the Company;

- ii. In furtherance to SEBI direction with respect to alleged listed shell companies, Company has received letter from both the exchange (BSE and NSE) to comply with those directions, to which company has duly responded to.
- iii. Company has deferred Tax Asset of Rs. 5,67,411/- which is written off during the year because of non confirmation of its continuity.
- iv. Inadequate current assets to fulfil the obligations of current liabilities, raising doubts about the payment capacity of the Company; and
- v. No concrete plans for re-starting the business operations of the Company, raising doubts about its a going concern basis.

Our opinion is not modified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies [Auditors report] Order 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the said Order to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
- b). In our opinion , proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
- c). The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d). In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e). In our opinion the disclosures done by the company in its financial statements as to holdings as well as dealings in SBN during the period from November 8, 2016 to December 30, 2016 ("demonetization period") are in accordance with the books of accounts maintained by the company
- f) On the basis of written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of section 164(2) of the Act
- g) With respect to the adequacy of the Internal Financial Control over financial reporting of the company and such internal financial controls over financial reporting are subject to strengthening to operate effectively as at 31- March, 2017 based on the Internal Control over financial reporting criteria established by the Company are the essential component of Internal Control Generally.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The Company is not required to make provision for material foreseeable losses, if any, as it does not have any long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For P.D. Saraf & Co.**  
**Chartered Accountants**  
**FRN: 109241W**

**Madhusudan Saraf**  
**Partner**  
**M.No: F – 41747**  
**Mumbai: September 01<sup>st</sup>, 2017**

**SPECTACLE VENTURES LIMITED**

Year Ended March 31 2017

Annexure referred to in paragraph 1 of our report of even date to the members of **SPECTACLE VENTURES LIMITED** on the accounts for the year ended March 31, 2017

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, physical verification of a major portion of fixed assets as at March 31, 2017 was conducted by the management. As informed to us, no material discrepancies were noticed on such verification.
- (ii) As explained to us, the Company does not have any inventories and hence clauses (ii) (a), (ii)(b) and (ii)(c) are not applicable.
- (iii) (a) The Company has not given loans to entities covered in the register maintained under Section 189 of the Act, and the further clause regarding recovery of interest and principal is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security, if any.
- (v) The Company has not accepted any deposits from the public covered u/s 73 to 76 of the Companies Act, 2013.
- (vi) As informed to us, the Rules made by the Central Government for the maintenance of cost records u/ s 148(1) of the Companies Act, 2013 are not applicable to the Company.
- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, undisputed statutory dues, including provident fund, employees state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, except as detailed below
- | Name of Statute             | Nature of Dues | Amount (Rs. In Lacs) | Period to which the amount relates |
|-----------------------------|----------------|----------------------|------------------------------------|
| Income Tax Act, 1961        | Income Tax     | 30,15,747/-          | A. Y. 2011-12                      |
| Income Tax Act, 1961        | Income Tax     | 30,02,007/-          | A. Y. 2012-13                      |
| AP Profession Tax Act, 1967 | Profession Tax | 45,125/-             | A. Y. 2012-13                      |
| Service Tax                 | Service Tax    | 5,94,423/-           | A. Y. 2012-13                      |
| Income Tax Act, 1961        | T.D.S.         | 8,14,944/-           | A. Y. 2011-12                      |
| Income Tax Act, 1961        | T.D.S.         | 6,90,522/-           | A. Y. 2012-13                      |
| Income Tax Act, 1961        | T.D.S.         | 1,18,220/-           | A. Y. 2013-14                      |
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no cases of non-deposit with the appropriate authorities of disputed dues of income tax, service tax, sales tax, customs duty, excise duty, value added tax, cess.
- (viii) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not availed of loans from any financial institution or bank during the year under report and the further clause regarding defaulting on repayment of dues is not applicable.
- (ix) The Company has not raised any funds by way of initial public offer or further public offer (including debt instruments). The Company has not raised any term loans and the clause regarding the same having been applied for the purpose for which they were raised, is not applicable.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, managerial remuneration paid or provided for is in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and hence the provisions of this clause are not applicable.
- (xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013, and details thereof are disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or debentures during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected to them.
- (xvi) In our opinion, the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

For P.D. Saraf & Co.  
Chartered Accountants  
FRN: 109241W

Madhusudan Saraf  
Partner  
M.No: F – 41747  
Mumbai: September 01<sup>st</sup>, 2017

**Annexure "B" referred to in paragraph 2(f) of our report of even date to the members of SPECTACLE VENTURES LIMITED on the accounts for the year ended March 31, 2017.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SPECTACLE VENTURES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For P.D. Saraf & Co.  
Chartered Accountants  
FRN: 109241W**

**Madhusudan Saraf  
Partner  
M.No: F – 41747  
Mumbai: September 01<sup>st</sup>, 2017**

**SPECTACLE VENTURES LIMITED**

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**PART I****Statement of Un audited Financial Results for the Quarter ended June 30, 2017**

(Rs. In Lakhs)

Sr. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30.06.2017	31.03.2017	30.06.2016	31.03.2017
		Un audited	Audited	Un audited	Audited
1	<b>Income from Operations</b>				
a	Revenue from operations	0.00	0.00	0.00	0.00
b	Other Income	0.00	0.00	0.00	0.00
	<b>Total Income from Operations (Net)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2	<b>Expenses</b>				
	Cost of Materials consumed	0.00	0.00	0.00	0.00
	Purchases of stock-in-trade	0.00	0.00	0.00	0.00
	Changes in inventories of Finished goods, WIP and Stock In Trade.	0.00		0.00	0.00
	Employee benefits expenses	0.00	0.00	0.30	1.00
	Power and Fuel	0.00	0.00	0.00	0.00
	Deprecation and Amortisation expense	0.00	0.01	0.00	0.01
	Finance Costs	0.00	0.00	0.00	0.23
	Other operating expenditure	0.73	0.63	5.25	8.44
	<b>Total expenses</b>	<b>0.73</b>	<b>0.64</b>	<b>5.55</b>	<b>9.68</b>
3	Profit / (Loss) before Exceptional Item and Tax	<b>-0.73</b>	<b>-0.64</b>	<b>-5.55</b>	<b>-9.68</b>
4	Exceptional items	0.00	0.00	0.00	-5.67
5	Profit / (Loss) before tax (3-4)	<b>-0.73</b>	<b>-0.64</b>	<b>-5.55</b>	<b>-15.35</b>
6	Tax expense				
	Current Tax	0.00	0.00	0.00	0.00
	Deferred Tax	0.00	0.00	0.00	0.00
	Total Tax Expense	0.00	0.00	0.00	0.00
7	Net Profit / (Loss) after tax (5-6) for the period	<b>-0.73</b>	<b>-0.64</b>	<b>-5.55</b>	<b>-15.35</b>
8	Other comprehensive income				
	Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00
	Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00
9	Total Comprehensive income for the period	-	-	-	-
10	Paid-up equity share capital (Face Value of Rs.10/- each)	514.50	514.50	514.50	514.50
11	Other Equity	0.00	0.00	0.00	0.00
12	Earnings Per Share (Basic and Diluted)	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.03)</b>

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30.05.2017.
- The above financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) which are mandatorily applicable to the Company from April 1, 2017. The Company has availed the extension provided by SEBI vide its Circular dated 05.07.2016 in respect of submission of financial results on or before September 14, 2017.
- The figures for the Quarter ended June 30, 2016 are also Ind AS compliant. They have not been subjected to Limited Review or Audit as per Ind AS. However, the management has exercised necessary due diligence to ensure that the financial results provided true and fair view of the Company's affairs. Also the Company has availed the exemption granted by SEBI vide its Circular dated July 5, 2016 in respect of disclosure requirements of corresponding figures of earlier periods.
- The figures have been re-grouped / re-classified / re-arranged wherever necessary.
- Reconciliation of results between previously reported under GAAP and Ind AS is not applicable to the company.
- The company has no subsidiaries and hence standalone financial statement is not applicable to company.

Date: 5th September, 2017

Place: Mumbai

For SPECTACLE VENTURES LIMITED



**FAZAL MEHMOOD SHAIKH**  
 Managing Director