
TWENTY EIGHTH ANNUAL REPORT

OF

SPECULAR MARKETING & FINANCING LIMITED

2011-2012

SPECULAR MARKETING & FINANCING LIMITED

TWENTY EIGHTH ANNUAL REPORT

Board of Directors :

Shreyas R. Mehta

Samir M. Mehta

Kirit P. Mehta

Dilip N. Dalal

Auditors :

M/s. H. Diwan & Associates

Chartered Accountants

Regd. Office :

Office No. 12, 27,

Tamarind Lane,

Mumbai-400 023.

Bankers :

Royal Bank of Scotland

SPECULAR MARKETING AND FINANCING LIMITED

Registered Office:
Office No. 12, 27, Tamarind Lane,
Mumbai-400 023.

NOTICE

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting** of the members of **SPECULAR MARKETING & FINANCING LIMITED** shall be held on 3rd September, 2012 at the Registered Office of the Company. 12,27, Tamarind Lane, Mumbai - 400 023, at 2.30 p.m. to transact the following ordinary business :

1. To receive, consider and adopt the Statement of Profit and Loss and the Balance Sheet for the year ended on 31 st of March, 2012 together with Auditors' Report and Directors' Report thereon.
2. To appoint a director in place of Shri Samir M. Mehta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Shri Kirit P. Mehta, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors.

Sd/-
S.R. MEHTA
Director

Place : Mumbai
Date : 29-05-2012

Registered Office :
Office No. 12,27, Tamarind Lane,
Mumbai-400 023.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. And such proxies must be deposited at the Registered Office of the Company not less than fourty eight hours before the commencement of the Annual General Meeting.
2. Shareholders are requested to bring their copies of Annual Report and Accounts alongwith them as extra copies will not be supplied due to high cost of paper and printing.
3. The Register of the members and Share Transfer Books of the Company will remain closed from 26th August, 2012 to 3rd September, 2012. (both days inclusive.)
4. Members are requested to intimate the change of address, if any, at the Registered Office of the Company.

SPECULAR MARKETING AND FINANCING LIMITED

Registered Office:
Office No. 12, 27, Tamarind Lane,
Mumbai-400 023.

DIRECTORS' REPORT

The Members ,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report of the Company together with the Audited Statement of Accounts for the year ended on 31 st March, 2012.

FINANCIAL RESULTS :	2011-2012	2010-2011
	(Rs.)	(Rs.)
Profit before Taxes	1,47,776	1,18,771
Less : Provision of Taxes for the year	1,100	--
	<hr/>	<hr/>
Profit after Taxes	1,46,676	1,18,771
Add : Excess of Provision of Tax of earlier period	320	--
	<hr/>	<hr/>
Add : Balance of Profit & Loss Account from previous year	38,65,959	37,47,188
	<hr/>	<hr/>
Balance carried to Balance Sheet	40,12,955	38,65,959
	<hr/> <hr/>	<hr/> <hr/>

OPERATIONS :

During the year under review the Company restricted its major activities to investments activities only. The Directors do not recommend any dividend for the financial year under review.

DIRECTORS :

Shri Samir M. Mehta and Shri Kirit P. Mehta directors of the company, retire by rotation by virtue of the provisions of the Companies Act, 1956 and the Articles of Association of the Company but being eligible offer themselves for re-appointment.

COMPLIANCE CERTIFICATE :

In accordance with Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from a Secretary in the whole time practice and a copy of such certificate is attached to this Report.

PERSONNEL :

The Company has no employee covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

Your Directors are happy to place on record their high appreciation of the contribution made by the employees at all levels through their sense of duty, dedication and devotion towards the operations of the Company.

DEPOSITS :

The Company has not accepted any deposits from the Public.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed,

- i. that in the preparation of the annual accounts for the financial year ended 31 st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgements 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 under review; and of the profit of the Company for the financial year ended 31 st March, 2012;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the accounts for the financial year ended 31 st March, 2012, on a going concern basis.

AUDITORS :

The Auditors, M/s. H. Diwan & Associates, Chartered Accountants, will retire at the forthcoming Annual General Meeting and are eligible for re-appointment. They have furnished a certificate to the effect that proposed re-appointment, if made, will be in accordance with Section 224(1)(B) of the Companies Act, 1956.

INFORMATION AS PER SECTION 217(1)(E) :

Information as per Section 217(1)(e) of the Companies Act 1956 and the Disclosure of particulars in the report of the Board of Directors Rules, 1988. The following information is furnished for the year ended 31st March, 2012.

Particulars with respect to Conservation to Energy	-	Not Applicable
Particulars with respect to Absorption of Technology	-	Not Applicable
Foreign Exchange Earnings and Outgoings	-	Nil

By Order of the Board of Directors,

Place : Mumbai
Date : 29-05-2012

Sd/-
S.R. MEHTA
Director

COMPLIANCE CERTIFICATE

CIN No. : L 51900 MH 1985 PLC 034994

Nominal Capital: Rs. 25,00,000/

To,
The Members
Specular Marketing and Financing Limited
Mumbai

I have examined the registers, records, books and papers of **Specular Marketing and Financing Limited** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012** (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in the **Annexure 'A'** to this certificate, as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in the **Annexure 'B'** to this certificate, with the Ministry of Corporate Affairs within the time prescribed under the Act and rules made thereunder.
3. The Company being a **Public Limited Listed Company** has the minimum prescribed paid up capital. The Paid up Capital is **Rs. 24,80,000/-**.
4. The Board of Directors duly met **Six** times on **29th April, 2011; 28th July, 2011; 24th October, 2011, 7th January, 2012; 2nd February, 2012 and 17th February 2012** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from **25th August, 2011** to **30th August, 2011** (both days inclusive).
6. The Annual General Meeting for the financial year ended on **31st March, 2011** was held on **30th August, 2011** after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its Directors or Persons or Firms or Companies referred under Section 295 of the Companies Act, 1956.
9. During the financial year under review, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling under the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
12. The Company has not issued any duplicate Share Certificate(s) during the financial year.

13. The Company has :
 - (i) not allotted/transferred/transmitted any securities during the financial year.
 - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) not posted any warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) not transferred any amount to Investor Education and Protection Fund, as there was no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of additional directors, alternate directors and directors to fill casual vacancy.
15. The Company has not appointed any managing director/whole-time director/manager during the financial year.
16. The Company has not appointed any sole selling agents during the year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of the transfer of shares in compliance with the provisions of the Act.
23. The Company has not accepted / invited any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate, however the Company has made investment and hence necessary entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company during the financial year, for the offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a Provident Fund u/s 418 of the Act.

The above report is based on the information/records and registers made available to me as were found, to the best of my knowledge, to be necessary for the purpose of Audit.

Place: Mumbai
Date: 29.05.2012

Sd/-
Prashant Diwan
C.P. No: 1979

ANNEXURE 'A'

Registers as maintained by the Company.

1. Register of Investment u/s 49 of the Act.
2. Register of Members u/s 150 of the Act.
3. Minutes Book u/s 193 of the Act.
4. Register of Directors u/s 303 of the Act.
5. Register of Directors' Shareholding u/s 307 of the Act.
6. Register of Transfer

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Ministry of Corporate Affairs, during the financial year ended on 31st March, 2012.

1. **Form 66** in respect of submission of **Compliance Certificate** for the year ended 31st March, 2011 filed on **27th September, 2011** vides Challan No. **P71094718**.
2. **Form 20B** in respect of filing of **Annual Return** made up to 30th August, 2011 filed on **13th October, 2011** vide Challan No. **P72551583**.
3. **Form 23AC & Form 23ACAXBRL** in respect of filing of **Balance Sheet** as at 31st March, 2011 & **Profit and Loss Account** for the year ended on that date as adopted by the members at the Annual General Meeting of the Company held on 30th August, 2011 were filed on **8th November, 2011** vide Challan No. **P78558079**.

Place: Mumbai
Date: 29.05.2012

Sd/-
Prashant Diwan
C.P. No: 1979

AUDITORS' REPORT

To,

**THE MEMBERS OF
SPECULAR MARKETING & FINANCING LIMITED**

We have audited the attached Balance Sheet of **SPECULAR MARKETING & FINANCING LIMITED**, as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatement. An audit also 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.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956 (the 'Act') 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Further to our comments in the Annexure referred to above, 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 purposes 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 Balance Sheet and the 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 and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the Directors 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 a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) 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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For H. DIWAN & ASSOCIATES
Chartered Accountants

Place : Mumbai
Date : 29-05-2012

Sd/-
HITESH DIWAN
Proprietor
Membership No. 35079

ANNEXURE TO THE AUDITORS' REPORT*

(Referred to in our Report of even date on the accounts of Specular Marketing & Financing Limited for the year ended 31st March, 2012)

1. (a) The Company has maintained its fixed assets register to show full particulars including quantitative details and situation of fixed assets.
(b) The Company has carried out physical verification of its fixed assets during the year. No discrepancy has been found.
(c) During the year, the Company has not disposed off any part of the fixed assets.
2. The Company did not have any inventory during the year. Accordingly, provisions of clauses 4(ii)(a), 4(ii)(b) and 4(iii)(c) of the Companies (Auditor's Report) Order, 2003, in respect of physical verification of inventory, procedure of physical verification followed by the Company and maintenance of proper records of inventory are not applicable to the Company.
3. The Company has not granted or taken any loans, secured or unsecured, to or from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly provisions of clauses 4(iii) (a), 4(iii) (b), 4(iii) (c), and 4(iii) (d) of the Companies (Auditors Report) Order, 2003, in respect of loans are not applicable to the Company.
4. There were no purchases of inventory and fixed assets and the sale of any goods during the year and hence, the question of reporting on the adequacy of the internal control procedure with regards to the purchase or sale of the aforesaid items does not arise. During the course of our audit, we have not observed any continuing failure to correct major weakness in intenal controls.
5. (a) In our opinion and according to the information and explanations given to us, all transactions that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
(b) There are no transactions exceeding the value of rupees five lacs in respect of any party, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and accordingly, the question of reporting whether these transactions have been made at the prices which are reasonable having regard to prevailing market price at the relevant time does not arise.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. The Company does not have any formal internal audit system. However it has adequate internal control procedure commensurate with the size of the Company and the nature of its business.
8. We have been informed that 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) The Company has been regular in depositing with the appropriate authorities undisputed statutory dues including income-tax and other dues. According to the information and explanations given to us, the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 are not applicable to the Company. The Company is also not liable to pay wealth-tax. There are no dues payable to the credit of Investor Education and Protection Fund by the Company. According to the records of the Company, there were no arrears of the aforesaid statutory dues outstanding as on 31st March, 2012, for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of income tax which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at year-end and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

11. The Company has not borrowed any amounts from any financial institutions or banks or by way of debentures and accordingly, clause (xi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 in respect of default in repayment of dues to a financial institution or bank or debenture holders is not applicable to the Company.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund company or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan during the year.
17. During the year, the Company has not raised short-term / long-term funds, and accordingly, the question whether funds raised on short-term basis have been used for long-term investment and *vice-versa* does not arise.
18. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and accordingly, the question of creating security in respect thereof does not arise.
20. The Company has not made any public issues during the year, and accordingly, the question of disclosing the end use of money raised by public issue does not arise.
21. During the course of our examination of the books and records of the Company, carried out 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 H. DIWAN & ASSOCIATES**
Chartered Accountants

Place : Mumbai
Date : 29-05-2012

Sd/-
HITESH DIWAN
Proprietor
Membership No. 35079

SPECULAR MARKETING & FINANCING LIMITED**BALANCE SHEET AS ON 31 ST MARCH - 2012**

		<i>Amounts in INR</i>	
		AS ON	AS ON
		<u>31-03-2012</u>	<u>31-03-2011</u>
	Note Number		
I	Equity and Liabilities		
1	Shareholder's Funds		
a)	Share capital	2480000	2480000
b)	Reserves and surplus	4012955	3,865,959
	Total shareholder's funds	<u>6,492,955</u>	<u>6,345,959</u>
2	Non - current liabilities		
a)	Long term borrowings	-	-
b)	Deferred tax liabilities (net)	-	-
c)	Long term provisions	-	-
	Total non - current liabilities	<u>-</u>	<u>-</u>
3	Current liabilities		
a)	Short term borrowings	-	-
b)	Trade payables	-	-
c)	Other current liabilities	15,033	14,512
d)	Short term provisions	1,100	560,000
	Total Current liabilities	<u>16,133</u>	<u>574,512</u>
	Total of Equity and liabilities	<u>6,509,088</u>	<u>6,920,471</u>
II	Assets		
	Non current assets		
1	a) Fixed Assets		
	(i) Tangible assets	714	872
b)	Non current investments	6,124,840	5,957,650
c)	Long term loans and advances	25,000	-
	Total non current assets	<u>6,150,554</u>	<u>5,958,522</u>
2	Current assets		
a)	Current investments	-	-
b)	Inventories	-	-
c)	Trade receivables	-	-
d)	Cash and cash equivalents	354,534	396,269
e)	Short term loans and advances	-	-
f)	Other current assets	4,000	565,680
	Total current assets	<u>358,534</u>	<u>961,949</u>
	Total assets	<u>6,509,088</u>	<u>6,920,471</u>

Significant accounting policies and notes on accounts 1 and 2

As per our report of even date

For H. Diwan & Associates

Chartered Accountants

(Firm Registration Number: 102659W)

Sd/-

Hitesh Diwan

Proprietor

Membership Number: 035079

**For and on behalf of Board of Directors of
Specular Marketing & Financing Limited**

Sd/-

Mr Shreyash Mehta

Director

Sd/-

Mr Samir Mehta

Director

Sd/-

Mr Kirit Mehta

Director

Place: Mumbai

Date: 29.05.2012

Place: Mumbai

Date: 29.05.2012

SPECULAR MARKETING & FINANCING LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

		Note Number	31st March 2012	<i>Amounts in INR</i> 31st March 2011
I	Revenue from operations	2.10	372,192	293,446
II	Other income	2.11	6,747	14,306
III	Total Revenue (I + II)		378,939	307,752
IV	<i>Expenses</i>			
	Employee benefits expense	2.12	70,000	70,000
	Depreciation and amortization expenses	2.5	158	193
	Other expenses	2.13	161,005	118,788
	Total expenses		231,163	188,981
V	Profit before exceptional items, extraordinary items and tax		147,776	118,771
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax		147,776	118,771
VIII	Extraordinary items		-	-
IX	Profit before taxes (VII - VIII)		147,776	118,771
X	Tax expenses:			
	1. Current tax		1,100	-
	2. Deferred tax		-	-
XI	Profit / (Loss) for the year for the period		146,676	118,771
XVI	<i>Earnings per share:</i>			
	1. Basic		0.59	0.48
	2. Diluted		0.59	0.48

Significant accounting policies and notes on accounts 1 and 2

As per our report of even date
For H. Diwan & Associates
Chartered Accountants
(Firm Registration Number: 102659W)
Sd/-
Hitesh Diwan
Proprietor
Membership Number: 035079

Place: Mumbai
Date: 29.05.2012

**For and on behalf of Board of Directors of
Specular Marketing & Financing Limited**

Sd/-	Sd/-	Sd/-
Mr Shreyash Mehta	Mr Samir Mehta	Mr Kirit Mehta
Director	Director	Director

Place: Mumbai
Date: 29.05.2012

SPECULAR MARKETING & FINANCING LIMITED

Cash Flow Statement for the year ended 31st March, 2012

Particulars	Current Year	Previous Year
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	147,776.00	118771.00
<i>Adjustments for:</i>		
Depreciation and amortisation	158.00	193.00
Profit on sale of assets	(6,747.00)	(14,306.00)
Interest or Dividend income	(372,192.00)	(293,446.00)
Provision for Current Tax	(1,100.00)	
Provision no longer required written off	320.00	-
	<u>(379,561.00)</u>	<u>(307,559.00)</u>
Operating profit before working capital changes	<u>(231,785.00)</u>	<u>(188,788.00)</u>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Short-term loans and advances		
Other current assets	561,680.00	(557,680.00)
Long term loans and advances	(25,000.00)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other current liabilities	521.00	(273.00)
Short-term provisions	(558,900.00)	
	<u>(21,699.00)</u>	<u>(557,953.00)</u>
	<u>(253,484.00)</u>	<u>(746,741.00)</u>
Net cash flow from / (used in) operating activities (A)	<u>(253,484.00)</u>	<u>(746,741.00)</u>
B. Cash flow from investing activities		
Purchase of fixed assets		
Proceeds from sale of Investments (Net)	6,747.00	14,306.00
(Increase) / Decrease in Investments	(167,190.00)	379,903.00
Dividend / Interest received	372,192.00	293,446.00
	<u>211,749.00</u>	<u>687,655.00</u>
Net cash flow from investing activities (B)	<u>211,749.00</u>	<u>687,655.00</u>
C. Cash flow from financing activities	-	-
Net cash flow from / (used in) financing activities (C)	<u>-</u>	<u>-</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	<u>(41,735.00)</u>	<u>(59,086.00)</u>
Cash and cash equivalents at the beginning of the year	396,269.00	455,355.00
Cash and cash equivalents at the end of the year *	<u>354,534.00</u>	<u>396,269.00</u>
* Comprises:		
(a) Cash on hand	50,642.00	41,633.00
(b) Balances with banks		
In current accounts	303,892.00	354,636.00
	<u>354,534.00</u>	<u>396,269.00</u>

As per our report of even date
For H. Diwan & Associates
Chartered Accountants
(Firm Registration Number: 102659W)
Sd/-
Hitesh Diwan
Proprietor
Membership Number: 035079

**For and on behalf of Board of Directors of
Specular Marketing & Financing Limited**

Sd/-	Sd/-	Sd/-
Mr Shreyash Mehta	Mr Samir Mehta	Mr Kirit Mehta
Director	Director	Director

Place: Mumbai
Date: 29.05.2012

Place: Mumbai
Date: 29.05.2012

SPECULAR MARKETING & FINANCING LIMITED

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C. Own Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, attributable to the fixed assets are capitalized.

D. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life.

E. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Investment

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

G. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes income from Dividends and income from sale of shares and units of mutual funds. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

H. Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

I. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

J. Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

K. Figures of previous year

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

SPECULAR MARKETING & FINANCING LIMITED

Notes to Balance Sheet

	As at 31 Mar 2012	Amount in INR As at 31 Mar 2011
Note 2.1		
Share capital		
Authorized:		
250000 Equity shares of Rs 10 each.	2,500,000	2,500,000
Issued, subscribed and paid up:		
248000 Equity shares (Previous year 248000) of Rs 10 each, fully paid.	2,480,000	2,480,000
Total share capital	2,480,000	2,480,000
 I. Issued, subscribed and paid up share capital includes: Equity shareholders holding more than 5% of the equity shares alongwith the number of equity shares held is given below:		
As at	31 Mar 2012	31 Mar 2011
Shreyas R Mehta	% Held 9.80	9.80
Ramnklal H mehta	% Held 9.98	9.98
 II. Reconciliation of number of shares outstanding at the beginning of the year and at the end of the year.		
Particulars	31st March,12 Nos. of Shares	31st March,11 Nos. of Shares
Equity shares at the beginning of the year	248,000	248,000
Shares issued during the year	0	0
Less:		
Shares brought back / redeemed during the year	0	0
Equity shares at the end of the year	248,000	248,000
 Note 2.2		
Reserves and surplus	As at 31 Mar 2012	As at 31 Mar 2011
Profit and Loss Account		
Balance at the beginning	3,865,959	3,747,188
Add: Net profit / (loss) for the period	146,676	118,771
Appropriations:		
Add: Excess Provision of Taxes for the earlier period	320	-
Balance at the end	4,012,955	3,865,959
Total Reserves and Suplus	4,012,955	3,865,959
 Current liabilities		
Note 2.3	As at 31 Mar 2012	As at 31 Mar 2011
Other Current Liabilities	31 Mar 2012	31 Mar 2011
Outstanding expenses	15,033	14,512
Total	15,033	14,512
 Note 2.4		
Short term provisions	As at 31 Mar 2012	As at 31 Mar 2011
Provisions for taxes	1,100	560,000
Total	1,100	560,000

SPECULAR MARKETING & FINANCING LIMITED

Notes to Balance Sheet

Note 2.5

(All amounts
in INR)

Fixed assets as at 31 Mar 2012									
Sr No	Nature of asset	Gross Block			Depreciation			Net Block	
		Opening balance	Addition	Closing balance	Opening balance	Addition	Closing balance	31-03-12	31-03-11
1	Furniture & Fixture	37,852	-	37,852	36,980	158	37,138	714	872
	Current Year	37,852	-	37,852	36,980	158	37,138	714	872
	Previous Year	37,852	-	37,852	36,787	193	36,980	872	

	<i>As at</i> 31 Mar 2012	<i>As at</i> 31 Mar 2011
Note 2.6		
Non-Current Investments		
1. In Equity Shares - Quoted Fully Paid up		
2071 Tata Iron & Steel Ltd. (2071) of Rs. 10/- each	363,546	363,546
150 Larsen & Toubro Ltd. (150) of Rs. 2/- each	5,138	5,138
50 Punjab & Sind Bank Ltd. (50) of Rs. 10/- each	6,000	6,000
	374,684	374,684
2. In Mutual Fund - Quoted Fully Paid up		
5,72,976 Tata Floater Fund (—) of Rs. 10/- each	5,750,156	-
(—) LIC MF Savings Plus Fund (5,58,296) of Rs. 10/- each	-	5,582,966
	5,750,156	5,582,966
Total Non Current Investments 1 + 2	6,124,840	5,957,650
Aggregate Market Value of Quoted Investment	6,924,132	7,491,826
Note 2.7		
Long term loans and advances		
<i>Unsecured, considered good:</i>		
Vat Deposit	25,000	-
Total long term loans and advances	25,000	-
Note 2.8		
Cash and cash equivalents	<i>As at</i> 31 Mar 2012	<i>As at</i> 31 Mar 2011
Cash on hand	50642	41,633
Balances with banks	303892	354,636
Total cash and cash equivalents	354,534	396,269

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Notes to Balance Sheet

Note 2.9	<i>As at</i>	<i>As at</i>
Other current assets	31 Mar 2012	31 Mar 2011
Income Tax Paid		559,680
Prepaid expenses	4,000	6,000
Total	4,000	565,680

Notes to Profit or Loss

Note 2.10		
Revenue from operations		
Dividend	372,192	293,446
Total revenue from operations	372,192	293,446

Note 2.11		
Other income		
Profit on Sale of Shares / Units	6,747	14,306
Miscellaneous income		
Total other income	6,747	14,306

Note 2.12		
Employees benefit expenses		
Salary	70,000	70,000
Total employees benefits expenses	70,000	70,000

Note 2.13		
Other expenses		
Advertisement & publicity	33173	29,411
Audit fees	13000	13,000
Conveyance expenses	2183	
Listing fees	20198	10,000
Miscellaneous expenses	25098	24,424
Office maintenance expenses	22914	14,200
Professional fees	42439	25,753
Professional tax	2000	2,000
Total other expenses	161,005	118,788

Note 2.14 Related Party Disclosures

Related Party	Relationship	Nature of transaction	Amount
1. Mr. K. P. Mehta	Director	Professional Fees	6,618

Note 2.15 Miscellaneous

- In the opinion of the Board of Directors, the Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business of the Company. The provisions for all known liabilities are adequate and are not in excess of what is reasonably necessary.