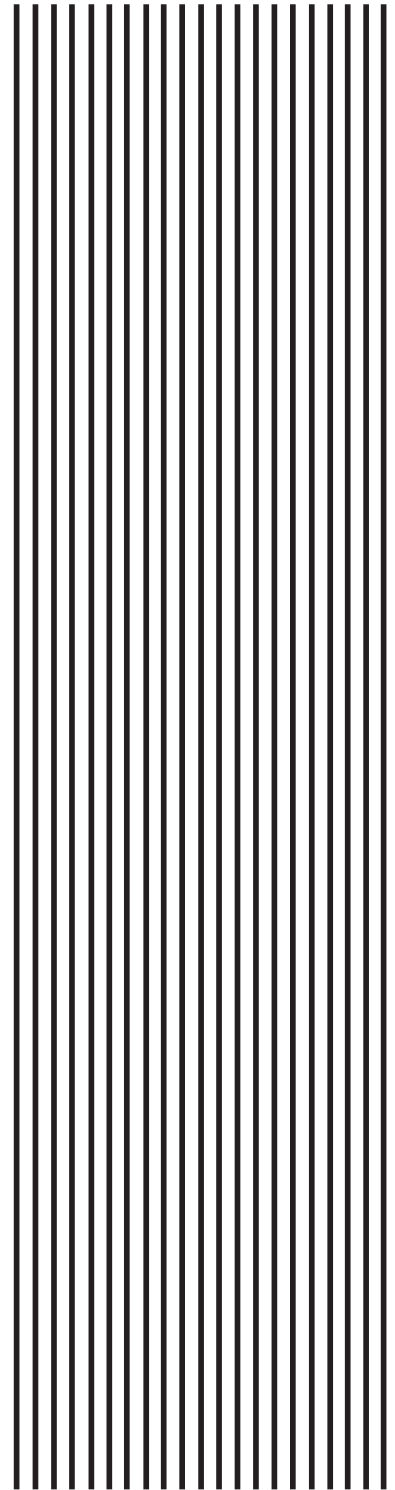




TWENTIETH

Annual Report 2011-2012



SPECTRA
INDUSTRIES LIMITED





BOARD OF DIRECTORS

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

AUDITORS

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

COMPANY SECRETARY

Mrs. Amita Champawat

BANKERS

BANK OF INDIA
D. N. Road Branch
Sadhana Rayon House, Fort
Mumbai - 400 064

REGISTERED OFFICE

Plot No.9, Spectra Compound, Ramchandra Lane Extn.,
Kanchpada II, Malad (West), Mumbai -400 064

WORKS-1

C - 1, M.I.D.G.,
Murbad - 421 401
Dist. Thane (Maharashtra)

WORKS-2

Penkar Pada,
Next to Premalaxmi Marathi School,
Mira Road(East)-401 107,
Dist. Thane (maharashtra)

REGISTRARS & SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
Unit No 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool, Andheri (East),
Mumbai - 400 072.
Tel. : 28515644, 28515606
Fax : 28512885



NOTICE

NOTICE is hereby given that the **Twentieth Annual General Meeting** of the Members of **SPECTRA INDUSTRIES LIMITED** will be held

at : Green Village Resorts Limited, Near Malavani Church, Opposite Akashwani Kendra, Marve Road, Malad (West), Mumbai 400 095.

on : Monday, 17th September 2012 at 11.00 a.m.

To transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sanjeev Chirania who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Jaidev Gupta who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

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.**
2. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the AGM.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 10th September 2012 to Monday, 17th September 2012 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

Registered Office :

Plot No.9, Spectra Compound
Ramchandra Lane Extn.Kanchpada II
Malad (West) Mumbai - 400 064
Date : 30th May,2012

By Order of the Board of Director

Vinod Kumar Gupta
Managing Director



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present before you the Twentieth Annual Report together with the Audited Statement of Accounts of the Company for the Year ended on 31st March, 2012.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Sales & Operational Income	5491.11	4773.82
Profit before Interest, Depreciation and Tax	179.97	160.16
Less : Interest	84.31	33.92
Depreciation/Amortisation	58.56	37.91
Tax	10.00	20.03
	-	152.87
<u>152.87</u>		<u>91.86</u>
Add : Deferred Tax	27.10	68.30
	----- (0.65)	----- 7.96
Net Profit/(Loss) for the year	26.45	76.26

DIVIDEND

The Directors do not recommend dividend for the financial year ended 31st March, 2012.

INSURANCE

All the Company's assets are adequately insured.

LISTING

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited. The Company has paid the Annual Listing Fees for the year 2012-2013.

DIRECTORS

Shri Sanjeev Chirania and Shri Jaidev Gupta retire by rotation and being eligible offer themselves for reappointment.

Brief resume of the above directors, their expertise in specific functional areas and name of companies in which they hold directorship and membership / chairmanship of committees, as stipulated under clause 49 of the listing agreement are given in the section on corporate governance in the Annual Report.

CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as Stipulated under clause 49 of the listing agreement with the Stock Exchange are attached to this Report and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit the Company for the period under review;



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

NAVISTAR AGENCY BUSINESS MAHINDRA NAVISTAR “SPECTRA AUTOMOTIVES”

During the year the Company has taken the dealership of marketing of light and heavy commercial vehicles manufactured by Mahindra Navistar Limited for the entire districts of Thane, Raigarh and Mumbai and has done good business. The company has also opened workshop at Mira Road, Thane and Navi Mumbai for marketing of the aforesaid vehicles.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is engaged in the production of sheet metal components and has been supplying brake shoes to Godrej & Boyce Mfg Co. Ltd.

The company was also engaged in trading activities of steel item like C.R. / H.R. Sheets . The major portion of the turnover during the year has been accounted for by trading activities. In view of the reduced take-off of Automobile sheet metal parts by OE manufacturers, the company as business strategy will continue to focus on trading activities, for the time being.

The Company is also getting a good response to its agency business of the light and heavy commercial vehicles manufactured by Mahindra Navistar Limited.

OPPORTUNITIES & THREATS

The Company is in process of identifying new opportunities by taking agencies of automobiles and steel components / parts and explore the markets and carve a niche. Heavy competition and adverse market condition may affect the business of the company.

OUTLOOK

The Company is hopeful to embark upon good opportunities in the agency business.

RISKS & CONCERNS

The present activities of the Company do not envisage any risks and concerns.

The Company's assets are adequately insured.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has adequate internal control systems and internal audit commensurate with Company's business. These are reviewed by the Audit Committee and the suggestions made by them are implemented.

FINANCIAL PERFORMANCE

During the year 2011-12 the turnover of the Company is Rs. 5491.11 lacs as compared to Rs. 4773.82 lacs for the previous year 2010-11 resulting the Net Profit of Rs. 26.45 Lacs during the financial year 2011-12 compared to Profit of Rs. 76.26 Lacs during the previous year. Due to pressure on margins resulting from all ground increase in costs, the net Profit has been impacted substantially.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The affairs of the Company are being managed under the control and supervision of the Managing Director. The Managing Director is assisted by experienced and qualified production and marketing personnel.

Industrial relations were cordial throughout the year.

The total number of employees on the rolls of the Company as of 31st March, 2012 was 44.



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at ensuring transparency in its dealings, disclosing matters of interest to the shareholders, complying with all laws and regulations as applicable to the Company and promoting the interests of all stakeholders.

I. BOARD OF DIRECTORS

(A) Composition Of Board

The present strength of Board of Directors of your Company is Seven (7) Directors.

The composition, status of Directors, attendance at Board Meetings and at the last Annual General Meeting, directorships in other Companies and other committees in which they are chairman/member are as follows -

Name of Director	Category of Directorship	No. of Board Meetings attended		Attendance at last AGM	Directorship in other companies including private companies	No. of Committees in which Chairman/Member (other than Spectra Industries Limited)	
		Held	Attended			Member	Chairman
Mr. Bharat Bhushan Gupta	Chairman Non Executive	6	6	Yes	12	-	-
Mr. Vinod Kumar Gupta	Managing Director	6	6	Yes	12	-	-
Mr. Prabhjot Singh Chandok	Non Executive & Independent Director	6	6	No	3	-	1
Mr. A. M. Arondekar	Non Executive & Independent Director	6	6	Yes	3	3	3
Mr. Sanjeev Chirania	Non Executive & Independent Director	6	6	Yes	2	-	-
Mr. Jaidev Gupta	Non Executive & Promoter Director	6	5	Yes	3	-	-
Mr. C. J. Kotcher	Non Executive & Independent Director	6	5	Yes	-	-	-

(B) Non-Executive Directors Compensation

None of the non-executive directors is paid any remuneration other than sitting fee of Rs. 2,500 for attending each board and each Committee Meeting.

Shri Bharat Bhushan Gupta holds 6,66,899 shares and Mr. Jaidev Gupta holds 5,01,874 shares as on 31st March 2012. Except them none of the non-executive directors holds any shares in the company.

(C) Independent Directors

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

(D) Board Procedure

Six (6) Board Meetings were held during the year 2011-2012. The dates on which the said meetings were held are 06/04/2011, 30/05/2011, 29/07/2011, 09/09/2011, 07/11/2011 & 28/01/2012 .

The Company has a procedure to provide the information to the board as required under Annexure 1A to Clause 49 of the Listing Agreement which is followed. The Board periodically reviews the compliance of all laws applicable to the Company.

All the directors have made necessary disclosures about the committee positions they occupy in other companies.

The Company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management personnel etc. other than transactions if any, entered into in the normal course of company's business.



Details of Directors to be appointed/re appointed

The particulars of Directors who are proposed to be appointed / re-appointed at this Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement:

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

Details of other committee memberships : NIL

No. of shares held : 5,01,874 Shares

Shri Sanjeev Chirania is a Chartered Accountant and has been practicing as a Chartered Accountant. He specializes in audit and taxation fields. He hold Directorship in Perfect Corporate Services Limited and CRC Securities Private Limited.

Details of other committee memberships : NIL

No. of shares held : NIL

(E) Code of Conduct

The Board has laid down a code of conduct for Board members and senior management personnel of the company. All the board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Managing Director and CEO is given at the end of this report.

The Company has also adopted a code of conduct for prevention of Insider Trading. All the Directors, Senior Management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under report, there has been due compliance with the said code of conduct for prevention of Insider Trading.

II. AUDIT COMMITTEE

The Audit Committee comprises of three Independent Non- executive Directors

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

The Chairman of the Audit Committee has good experience in Corporate finance and other related matters. Other directors have accounting and financial management experience.

The Managing Director attends Audit Committee Meetings as permanent invitee. Besides the statutory auditors and finance personnel are invitees to the meetings of the Audit Committee.

The Audit Committee reviews all the issues that are required to be mandatorily reviewed by it under Corporate Governance.

The powers and role of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956, such as oversight of the company's financial reporting process; recommending the appointment / reappointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and other matters as covered under role of audit committee in Clause 49. The audit committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the company/ company's subsidiary as well as seek outside legal and professional advice.

Five (5) meetings of the Committee were held during the year 2011-2012. The dates on which the meetings were held are 06/04/2011, 30/05/2011, 29/07/2011, 07/11/2011 and 28/01/2012.

The attendance of each member of the Audit Committee in the meeting is given below :-

Sr. No.	Name of Director	No. of Meetings Attended
1.	Mr. A. M. Arondekar	5
2.	Mr. Prabhjot Singh Chandok	5
3.	Mr. Sanjeev Chirania	5



The chairman of the Audit Committee was present at the Nineteenth Annual General Meeting held on 9th September, 2011.

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

III. SUBSIDIARY COMPANY

The Company has no subsidiary company.

IV. REMUNERATION COMMITTEE

The Remuneration Committee comprised solely of Independent & Non-Executive Directors. The Remuneration Committee Comprises of following Members:

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

The remuneration committee deals with the matter specified in clause 49 of the listing agreement and also reviews the overall compensation structure and policies of the company.

One(1) meeting of the Remuneration committee was held on 09/09/2011 during the year 2011-2012. The attendance of each member of the Audit Committee in the meeting is given below:

Sr. No.	Name of Director	No. of Meetings Attended
1.	Mr. A. M. Arondekar	1
2.	Mr. Prabhjot Singh Chandok	1
3.	Mr. C J Kotcher	1

The details of remuneration paid to the Managing Director and other Directors of the Company during the year ended 31st March 2012 are given below:

(Amount in Rs.)

Name of Director	Salary	Perquisite	Commission	Others	Sitting Fees	Total
Mr. Vinod Kumar Gupta Managing Director	12,00,000/-	31,150/-	--	--	--	12,31,150/-
Mr. Bharat Bhushan Gupta	--	--	--	--	15000/-	15000/-
Mr. Jaidev Gupta	--	--	--	--	12,500/-	12,500/-
Mr. Prabhjot Singh Chandok	--	--	--	--	22,500/-	22,500/-
Mr. A. M. Arondekar	--	--	--	--	22,500/-	22,500/-
Mr. Sanjeev Chirania	--	--	--	--	22,500/-	22,500/-
Mr. C. J. Kotcher	--	--	--	--	12,500/-	12,500/-

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

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

The agreement may be terminated by either party at any time by giving not less than 90 days prior notice in writing in that behalf to other party without the necessity of showing any reason thereof. The agreement may also be terminated by the company at any time by giving three months salary and other emoluments in lieu of notice as aforesaid to Managing Director.



V. SHARE HOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee comprises solely of Independent & Non- Executive Directors viz: of Mr. Bharat Bhushan Gupta, Mr. Vinod Kumar Gupta and Mr. Prabhjot Singh Chandok. Mr. Bharat Bhusan Gupta is the Chairman of the Committee.

Five (5) Meetings of the committee were held during the year 2011-2012. The dates on which the meetings were held are as follows: 06/04/2011, 30/05/2011, 29/07/2011, 07/11/2011 & 28/01/2012.

Composition, category and attendance of Members is as follows :

Name of Director	Category	No. of Meetings Attended
Mr. Bharat Bhushan Gupta	Chairman	5
Mr. Vinod Kumar Gupta	Member	5
Mr. Prabhjot Singh Chandok	Member	5

The Committee looks into redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. Shri Shiv Prakash Roongta is the Compliance Officer of the Company.

The Shareholders / Investors Grievance Committee has delegated the power of approving transfer / transmission of shares to share transfer committee.

The total number of complaints received through SEBI and replied to the satisfaction of shareholders during the year under review, was one. Outstanding complaints as on 31st March, 2012 were NIL. No requests for transfers were pending for approval as on 31st March, 2012.

VI. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings :-

Year	Venue	Day, Date	Time	Special Resolution, If Any
2008-2009	Green Village Resorts Limited, Near Malvani Church, Opp. Akashwani Kendra Marve Road, Malad (W), Mumbai - 400 095	Saturday 19.09.2009	11.00 a.m.	Nil
2009-2010	Green Village Resorts Limited, Near Malvani Church, Opp. Akashwani Kendra Marve Road, Malad (W), Mumbai - 400 095	Friday 27.08.2010	11.00 a.m.	Nil
2010-2011	Green Village Resorts Limited, Near Malvani Church, Opp. Akashwani Kendra Marve Road, Malad (W), Mumbai - 400 095	Friday 09.09.2011	11.00 a.m.	Nil

POSTAL BALLOT

During the Financial Year under review, one Postal Ballot was conducted as per the following details:

Date of Notice	Brief details of the Resolutions Passed	Result
9 th September 2011	<ol style="list-style-type: none"> Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for Creation of Charge / Mortgage on Company's Properties Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for increasing the borrowing limits, and Ordinary Resolution under Section 198, 269, 309 and Schedule XIII of the Companies Act, 1956 for approval to the appointment of Mr. Jaidev Gupta as Executive Director and payment of remuneration to him. 	<ol style="list-style-type: none"> The votes cast in favour of the Resolution were 99.99% as against 0.01% votes cast against the Resolution. The Resolution was accordingly passed by requisite majority. The votes cast in favour of the Resolution were 99.99% as against 0.01% the Resolution. The Resolution was accordingly passed by requisite majority. The votes cast in favour of the Resolution were 99.99% as against 0.01% votes cast against the Resolution. The Resolution was accordingly passed by requisite majority.

Mr. P.N. Parikh of Parikh & Associates, Practising Company Secretaries at Mumbai as the Scrutinizer conducted the Postal Ballot processes in a fair and transparent manner.

At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.



VII. DISCLOSURES

(A) Related Party Transactions

The particulars of transactions between the Company and its related parties as per Accounting Standards is set out in notes to accounts in the Annual Report and were placed before the Audit Committee periodically. There were no transactions of material nature with Directors or the Management or their relatives etc. during the year that may have potential conflict with the interests of the Company at large.

(B) Risk Management

The Board of Directors have been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.

(C) Proceeds from Initial Public Offerings(IPOs)

The Company has not made any IPO during the year. The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties / strictures have been imposed against the Company during the last three years.

(D) Management

A separate report on Management Discussion & Analysis which forms part of the report is annexed. The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties / strictures have been imposed against the Company during the last three years.

VIII. WHISTLE BLOWER POLICY

The company has not framed any whistle blower policy. However, no personnel has been denied access to the audit committee.

IX. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement. The quarterly, Half Yearly and yearly results are published in newspapers like The Free Press Journal in English and Navshakti in Marathi. These are not sent individually to the shareholders. The Company does not have its own web site.

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

X. GENERAL SHAREHOLDERS' INFORMATION

- | | | |
|----|---|---|
| 1. | Annual General Meeting
Day, Date, Time and Venue | Monday, 17 th September 2011 at 11.00 a.m.
at Green Village Resorts Limited, Near Malavani Church,
Opp. Akashwani Kendra, Marve Road,
Malad (W), Mumbai - 400 095 |
| 2. | Financial Year/Calendar
(Provisional) | |
| | - Results for first quarter
ending June 30, 2012 | Second week of August 2012 |
| | - Results for second quarter
ending September 30, 2012 | Last week of October 2012 |
| | - Results for third quarter
ending December 31, 2012 | Last week of January 2013 |
| | - Audited Results for the year
ending March 31, 2013 | Last week of May 2013 |
| 3. | Dates of Book Closure | Monday, 10 th September 2012 to Monday
17 th September 2012 (both days inclusive) |
| 4. | Registered Office | Plot No. 9, Spectra Compound, Ramchandra Lane Extn.,
Kanchpada II, Malad (W), Mumbai 400 064. |



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

Annual Listing Fees for financial year
2012-2013 has been paid to Bombay
Stock Exchange, Limited
9. ISIN Number in NSDL and CDSL
INE848B01012
10. Market Price Data
Table below gives the monthly highs and lows of the Company's shares on the Bombay Stock Exchange Limited during 2011- 2012.

High and Low prices of the Company's shares on BSE with corresponding BSE Sensex April, 2011 to March, 2012.

MONTHS	High		Low	
	Spectra Industries Ltd.	BSE Sensex	Spectra Industries Ltd.	BSE Sensex
April 2011	13.64	19811.14	8.4	18976.19
May 2011	12.49	19253.87	8.4	17786.13
June 2011	10.40	18873.39	8.6	17314.38
July 2011	9.93	19131.70	8.67	18131.86
August 2011	9.85	18440.07	7.51	15765.53
September 2011	9.69	17211.80	7.66	15801.01
October 2011	8.42	17908.13	7.28	15745.43
November 2011	8.40	17702.26	6.53	15478.69
December 2011	7.90	17003.71	6.23	15135.86
January 2012	8.00	17258.97	6.30	15358.02
February 2012	8.18	18523.78	6.26	17061.55
March 2012	9.37	18040.69	6.68	16920.61

11. Share Transfer System

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of thirty days from the date of receipt, if the documents are otherwise in order.

The Share Transfer Committee meets as frequently as necessary in a month to approve transfers and related matters as may be required.



12. Distribution of shareholding as on 31st March 2012:

Distribution of Shares	No. of Shares held	Percentage to total Share Capital
Promoters, Directors and their Relatives	3,81,6040	53.910
Mutual Funds	6,700	0.095
Corporate Bodies	3,37,914	4.774
NRI / OCB / FII	75,630	1.068
General Public	28,41,355	40.141
Others - Clearing Members	861	0.012
TOTAL	70,78,500	100.00

13. Dematerialization of shares

As on March 31st, 2012, 90.54% of the paid up share capital has been dematerialized. The shares of the Company are infrequently traded.

Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity : Nil.

XI. CEO/CFO CERTIFICATION

A certificate from the Managing Director of the Company in terms of clause 49 (V) of the Listing Agreement was placed before the Board meeting held on 30th May, 2012 to approve the audited annual accounts for the year ended 31st March,2012.

XII. DECLARATION

As provided under Clause 49 of the listing agreement with the Stock Exchange the Board members and the senior management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and senior management for year ended 31st March, 2012.

Place : Mumbai
Date :30thMay, 2012

Vinod Kumar Gupta
Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Spectra Industries Limited

We have reviewed the implementation of Corporate Governance procedures by Spectra Industries Limited during the year ended 31st March 2012, with the relevant records and documents maintained by the Company and furnished to us for our review and the report of Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Shareholders/Investors Grievance Committee.

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

For **D. K. ROONGTA & COMPANY**
Chartered Accountants

Place : Mumbai
Date : 30th May, 2012

DINESH K. ROONGTA
(Proprietor)
Membership No : 17679



AUDITORS' REPORT

To
The Members of
SPECTRA INDUSTRIES LIMITED

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

1. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3. Further to our comments in the Annexure referred to in Paragraph 2 above, we report that :

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;

(ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;

(iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;

(v) On the basis of the written representations received from the directors, as on 31st March, 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 a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

(b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date;

For **D.K.ROONGTA & COMPANY**
Chartered Accountants

Place : Mumbai
DINESH K ROONGTA
Date : 30th May, 2012
(Proprietor)
Membership No : 100/17679
(Firm Reg. No. 108871W)



ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets :

a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information;

b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification;

c. The Company has not disposed off substantial part of Fixed Assets during the year and as per information and explanation given to us the going concern status of the company is not affected;

2. In respect of its inventories:

a. As explained to us, inventories have been physically verified by the management at regular intervals during the year;

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;

c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared with the book records;

3. The Company has taken loans, secured or unsecured, during the year from or to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956;

In our opinion and according to the information and explanations given to us, the rate of interest, where applicable and the other terms and conditions, are not prima facie prejudicial to the interest of the company;

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. In respect of transactions covered Under Section 301 of the Companies Act, 1956 :

(a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered;

(b) In our opinion and according to the information and explanations given to us, there were no transactions exceeding Rs. Five Lakhs during the year;

6. The Company has not accepted any deposits from the public.

7. The Company has an adequate internal audit system, which was conducted by an independent firm of Chartered Accountants, which in our opinion is commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the same.

9. According to the records of the Company, undisputed

(a) statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable;

(b) The dues of income tax and Central Excise have not been deposited on account of any dispute, the amounts involved and the forum where the dispute is pending are detailed in the statement are as under ;

Name of the Statutory Dues	Forum where dispute is pending	Amount
Central Excise Duty	Additional Commissioner Central Excise	22,88,343
Income Tax	Rectification under section 154	32,532

10. The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.



12. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit / nidhi / mutual benefit funds/ society.

14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the Company has held the investments in its own name .

15. On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions .

16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. During the year the Company has not issued any debentures.

20. The Company has not raised any money by way of public issue during the year.

21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **D.K.ROONGTA & COMPANY**
Chartered Accountants

Place : Mumbai
Date: 30th May,2012

DINESH K.ROONGTA
(Proprietor)
Membership No : 100/17679
(Firm Reg. No. 108871W)



SPECTRA INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2012

		(Amount In Rs.)	
	Note	As At 31.03.2012	As At 31.03.2011
<u>EQUITY AND LIABILITIES</u>			
Shareholders Fund			
Share Capital	1	70,785,000	70,785,000
Reserves & Surplus	2	53,307,093	50,662,541
Share Application Money Pending Allotment			
Non-Current Liabilities			
Long Term Borrowings	3	57,449,874	83,935,242
Deferred Tax Liability (Net)	4	8,752,968	8,687,545
Current Liabilities			
Short Term Borrowings	5	50,760,448	-
Trade Payables	6	301,828,705	223,538,295
Other Current Liabilities	7	22,379,969	1,637,907
Short Term Provisions	8	5,425,000	3,913,800
TOTAL		<u>570,689,057</u>	<u>443,160,330</u>
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	78,085,653	38,419,128
Intangible Assets	9	2,139,339	1,904,820
Capital Work-in-Progress	9	2,343,438	39,629,738
Non-Current Investments	10	9,332,979	9,332,979
Long Term Loans and Advances	11	26,866,816	71,049,716
Current Assets			
Inventories	12	60,924,505	36,863,698
Trade Receivables	13	346,781,164	227,468,227
Cash and Bank Balances	14	24,461,201	10,800,298
Short Term Loans and Advances	15	19,753,962	7,691,726
TOTAL		<u>570,689,057</u>	<u>443,160,330</u>

Significant Accounting Policies
Notes on Financial Statements

1 to 27

As per our Report of even date
For D.K. ROONGTA & COMPANY
Chartered Accountants

DINESH K. ROONGTA
(Membership No.100/17679) (Firm Reg No.108871W)
(Proprietor)
Place : Mumbai
Date : 30.05.2012

For and on behalf of the Board

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



SPECTRA INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	As At 31.03.2012	(Amount In Rs.) As At 31.03.2011
INCOME			
Revenue from Operations	16	547,952,722	470,116,099
Other Income	17	1,157,960	7,266,391
Total Revenue		549,110,682	477,382,490
EXPENDITURE			
Cost of Materials Consumed	18	127,349,750	2,270,362
Purchase of Stock-in-Trade		385,521,503	450,765,377
Changes in Inventories of Finised Goods, Stock-in-Process and Stock-in-Trade	19	(12,600)	83,700
Employee Benefits Expense	20	9,940,396	3,157,463
Finance Costs	21	8,431,410	3,392,972
Depreciation and Amortisation Expense	22	5,856,065	3,791,624
Other Expenses	23	8,314,183	5,087,159
Total Expenses		545,400,707	468,548,657
Profit Before Tax		3,709,975	8,833,833
Tax Expenses			
Current Tax		1,000,000	2,000,000
Deferred Tax		(65,423)	796,018
Income Tax for Earlier Year		-	3,389
Profit for the year		2,644,552	7,626,462
Earnings per equity share of face value of Rs.10 each			
Basic and Diluted (in Rs)	26	0.37	1.08
Significant Accounting Policies Notes on Financial Statements	1 to 27		

As per our Report of even date
For D.K. ROONGTA & COMPANY
Chartered Accountants

DINESH K. ROONGTA
(Membership No.100/17679) (Firm Reg No.108871W)
(Proprietor)
Place : Mumbai
Date : 30.05.2012

For and on behalf of the Board

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount In Rs.)

PARTICULARS	Year Ended 31.03.2012		Year Ended 31.03.2011	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per Profit and Loss Account		3,709,975		8,833,833
Adjustments for :				
Net Prior Year Adjustments	-		(3,389)	
Loss on Sale / Discard of Assets (net)	-		195,553	
Depreciation and Amortisation Expense	5,856,065		3,791,624	
Interest Income	(773,841)		(695,561)	
Finance Costs	6,662,974		1,924,075	
Rent Received	(34,100)		(34,100)	
		11,711,098		5,178,202
Operating Profit before Working Capital changes :		15,421,073		14,012,035
Adjustments for :				
Inventories	(24,060,807)		12,897,889	
Trade and other Receivables	(84,594,647)		(37,817,188)	
Trade and Other Payables	99,543,672		(11,257,722)	
		9,111,782		(36,177,021)
Cash generated from Operations		6,309,291		(22,164,986)
Net Prior Year Adjustments		-		-
Tax Paid		(2,597,626)		(251,889)
Deferral Sales Tax Loan Paid		(952,381)		(5,002,925)
NET CASH FROM OPERATING ACTIVITIES		(5,812,148)		(27,419,800)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(7,762,921)		(41,731,369)
Sale of Fixed Assets		-		177,778
Purchase of Investments		-		-
Sale of Investments		-		126,660
Interest Income		773,841		695,561
Dividend Income		-		-
Rent Income		34,100		34,100
Misc Expenditure		(707,888)		(1,938,031)
NET CASH FROM INVESTMENTS ACTIVITIES		(7,662,868)		(42,635,301)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital		-		-
Short Term Borrowings (net)		381,098		-
Finance Costs		(6,662,974)		(1,924,075)
NET CASH FROM FINANCING ACTIVITIES		(6,281,876)		(1,924,075)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(19,756,892)		(71,979,176)

(Amount In Rs.)

PARTICULARS	Year Ended 31.03.2012		Year Ended 31.03.2011	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash and Cash Equivalents Opening Balance :				
Cash and Bank Balance	10,800,298		12,632,506	
Cash Credit Accounts	(52,897,604)	(42,097,306)	17,249,364	29,881,870
Cash and Cash Equivalents Closing Balance :				
Cash and Bank Balance	24,461,201		10,800,298	
Cash Credit Accounts	(86,315,399)	(61,854,198)	(52,897,604)	(42,097,306)

As per our Report of even date
For **D.K. ROONGTA & COMPANY**
Chartered Accountants

DINESH K. ROONGTA
(Membership No.100/17679) (Firm Reg No.108871W)
(Proprietor)
Place : Mumbai
Date : 30.05.2012

For and on behalf of the Board

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



Significant Accounting Policies

(a) **Basis of Accounting :**

The accounts of the Company are prepared in accordance with the generally accepted accounting principles and the Accounting Standards referred to in Section 211 (3C) wherever applicable.

(b) **Fixed Assets :**

Fixed Assets are shown at cost less depreciation. Cost comprises the purchase price and other attributable expenses.

(c) **Depreciation on Fixed Assets :**

Depreciation has been provided on the Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act 1956.

(d) **Inventories :**

Inventories are valued at lower of cost and net realisable value. The method of valuation of various categories of Inventories is as below :

- (i) Raw Material - At Cost
- (ii) Finished goods and work in progress - At lower of cost or net realisable value
- (iii) Scrap - At Realisable value

(e) **Taxation :**

- (i) Provision for current taxation has been made on the basis of estimated tax liability in accordance with the Income tax laws prevailing for the relevant assessment year.
- (ii) Deferred tax resulting from timing differences between book and tax profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

(f) **Foreign Currency Transactions :**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency assets and liabilities are rated at the date of Balance Sheet. Any gain or loss arising out of settlement of foreign currency transactions are charged to the Profit and Loss Account.

(g) **Revenue Recognition :**

Sales is recognized on the basis of dispatch date net of Excise duty and Sales Tax.

(h) **Retirement Benefit :**

- (i) Retirement benefits in the term of Provident Fund / Pension scheme is accounted for on an accrual basis and charged to the Profit and Loss Account for the year.
- (ii) Provisions for liability on account of retirement gratuity is made on the basis of actuarial valuation carried out at the close of the financial year. Effects of cheques are duly given in the Profit and Loss Account.
- (iii) The Company accrues the leave encashment liability on an actuarial basis.

(i) **Borrowing Costs :**

Borrowing costs are accounted on an accrual basis and charged to Profit and Loss Account.

(j) Settlement of dispute either in income or expenditure is taken on Cash basis.

(k) Total outstanding to small scale industries undertaking - NIL

(l) The Company is operating in two segment "Manufacturing" & "Trading" in accordance with the provisions of AS-17 of ICAI.

(m) Long term investments are stated at cost.

(n) **Miscellaneous Expenditure :**

Miscellaneous expenditure includes Business development and lease hold expenses are charged off accordingly to period of benefit

II **Contingent Liabilities in respect of :**

	<u>As At 31.03.2012</u>	<u>As At 31.03.2011</u>
Claims against the Company not acknowledged as debts hence not provided	9,30,500	9,30,500

III Previous years figures have been regrouped, rearranged wherever necessary to conform to this year's classification.

IV Balance on account of suppliers & debtors are subject to confirmation.

(I) The company has filed suit for the recovery of Rs. 69,64,541/- against its debtors and the same are pending with the court. The management is confident to recover the said amount.



Notes on Financial Statements for the Year ended 31st March, 2012

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

	As At 31.03.2012	(Amount In Rs.) As At 31.03.2011
1 <u>SHARE CAPITAL</u>		
Authorised Share Capital :		
8000000 Equity Shares of Rs.10/- each	80,000,000	80,000,000
	80,000,000	80,000,000
Issued, Subscribed and Paid up :		
7078500 Equity Shares of Rs.10/- each	70,785,000	70,785,000
	70,785,000	70,785,000

1.1 Details of Shareholding more than 5% shares:

<u>Name of Shareholder</u>	<u>No.of Shares</u>	<u>%</u>	<u>No.of Shares</u>	<u>%</u>
Bharat Bhushan Gupta	666,899	9	448,388	7
Jaidev Vinodkumar Gupta	501,874	7	-	-
Vinodkumar Roshanlal Gupta	553,900	8	553,900	8
Prakash Heat Treatment & Ind Pvt Ltd	745,000	11	745,000	11

2 RESERVES AND SURPLUS

Capital Reserve

As per last Balance Sheet

	3,000,000	3,000,000
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General Reserve

As per last Balance Sheet

	17,000,000	17,000,000
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Profit and Loss Account

As per last Balance Sheet

	30,662,541	23,036,079
Add : Profit for the year	2,644,552	7,626,462

	33,307,093	30,662,541
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TOTAL

	53,307,093	50,662,541
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Notes on Financial Statements for the Year ended 31st March, 2012

	As At 31.03.2012	(Amount In Rs.) As At 31.03.2011
3		
<u>LONG TERM BORROWINGS</u>		
Secured		
Loan received from Bank of India (Secured against Hypothecation of Stock of Raw Material, Work in Progress & Finished Goods & Sundry Debtors)	35,936,049	52,897,604
Deferred Sales Tax Loan (SICOM) (As per Scheme 1988)	21,513,825	31,037,638
TOTAL	<u>57,449,874</u>	<u>83,935,242</u>
4		
<u>DEFERRED TAX LIABILITY (Net)</u>		
Deferred Tax Liability Related to fixed assets	8,752,968	8,687,545
TOTAL	<u>8,752,968</u>	<u>8,687,545</u>
5		
<u>SHORT TERM BORROWINGS</u>		
Secured		
Working Capital Loans From Banks		
HDFC Bank Ltd	50,379,350	-
Reliance Capital Ltd	381,098	-
TOTAL	<u>50,760,448</u>	<u>-</u>
5.1		
Funding Loan secured by hypothecation of present and future stock of vehicles.		
6		
<u>TRADE PAYABLES</u>		
Due to Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	301,828,705	223,538,295
TOTAL	<u>301,828,705</u>	<u>223,538,295</u>



Notes on Financial Statements for the Year ended 31st March, 2012

(Amount In Rs.)

	As At 31.03.2012	As At 31.03.2011
7 OTHER CURRENT LIABILITIES		
Creditors for Capital Expenditures	171,170	702,630
Other Payable	22,208,799	935,277
TOTAL	22,379,969	1,637,907
8 SHORT TERM PROVISIONS		
Gratuity	1,175,000	663,800
Taxation	4,250,000	3,250,000
TOTAL	5,425,000	3,913,800

9 FIXED ASSETS

(Amount In Rs.)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		Cost as on 01.04.2011	Addition during the year	Deductions during the year	Cost as on 31.03.2012	Upto 01.04.2011	Deductions during the year	For the Year	Total as on 31.03.2012	As on 31.03.2012	As on 31.03.2011
TANGIBLE ASSETS :											
OWN ASSETS :											
1	Land & Building	32,833,755	39,629,738	-	72,463,493	17,723,059	-	2,420,280	20,143,339	52,320,154	15,110,696
2	Plant & Machinery	36,975,379	938,945	-	37,914,324	19,763,112	-	1,788,177	21,551,289	16,363,035	17,212,267
3	Electric Installations	7,135,431	-	-	7,135,431	5,017,551	-	338,933	5,356,484	1,778,947	2,117,880
4	Furniture & Fixtures	668,650	72,296	-	740,946	562,267	-	45,223	607,490	133,456	106,383
5	Office Equipments	2,719,670	4,137,054	-	6,856,724	812,710	-	233,914	1,046,624	5,810,100	1,906,960
6	Computers	941,529	114,624	-	1,056,153	827,492	-	35,402	862,894	193,259	114,037
7	Tools & Dies	4,529,654	156,564	-	4,686,218	3,614,625	-	520,767	4,135,392	550,826	915,029
8	Flat at Dombivali	935,876	-	-	935,876	-	-	-	-	935,876	935,876
	TOTAL (A)	86,739,944	45,049,221	-	13,17,89,165	48,320,816	-	5,382,696	53,703,512	78,085,653	38,419,128
	Previous Year	86,065,167	2,101,631	1,426,854	86,739,944	45,989,257	1,426,854	3,758,413	48,320,816	38,419,128	40,075,910
INTANGIBLE ASSETS AND LEASE HOLD ASSETS :											
1	Addition to Leasehold Premises at Kashmirira	1,020,340	707888	-	1,728,228	-	-	293475	-	1,434,753	1,020,340
2	Bussiness Development Expenses	884,480	-	-	884,480	-	-	179894	-	704,586	884480
	TOTAL (B)	1,904,820	707888	-	2,612,708	-	-	473369	-	2,139,339	1,904,820
	Previous Year	-	1,938,031	-	1,938,031	-	-	33,211	33,211	1,904,820	-
	TOTAL A +B	88,644,764	45,757,109	-	134,401,873	48,320,816	-	5,856,065	53,703,512	80,224,992	40,323,948
	Previous Year A+B	86,065,167	4,039,662	1,426,854	88,677,975	45,989,257	1,426,854	3,791,624	48,354,027	40,323,948	40,075,910
	Work in Progress	-	-	-	-	-	-	-	-	2,343,438	39,629,738



SPECTRA INDUSTRIES LIMITED

Notes on Financial Statements for the Year ended 31st March, 2012

	As At	(Amount In Rs.)
	31.03.2012	As At
	31.03.2012	31.03.2011
10 NON-CURRENT INVESTMENTS		
(Long Term Investments)		
Trade Investments (At Cost)		
In Equity Shares Quoted, fully paid up 1985117 (1985117)Pal Credit & Capital Ltd of Rs.10/- each Market Value of Quoted Shares Rs.2640206/- Rs.4883387/-)	9,332,629	9,332,629
In Equity Shares Unquoted,fully paid up Chandresh Avenue (C&D) Chs Ltd	350	350
TOTAL	9,332,979	9,332,979
11 LONG TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Capital Advances	26,866,816	71,049,716
TOTAL	26,866,816	71,049,716
12 INVENTORIES		
Raw Materials and Parts	17,531,362	18,408,639
Stock-in-Process	1,021,210	1,021,210
Finised Goods	26,162,963	1,060,479
Scrap	242,802	230,202
Stores & Spares	626,271	703,271
Stock in Trade	15,339,897	15,439,897
TOTAL	60,924,505	36,863,698
13 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over Six months	227,529,705	47,259,967
Others	119,251,459	180,208,260
TOTAL	346,781,164	227,468,227



Notes on Financial Statements for the Year ended 31st March, 2012

	As At 31.03.2012	(Amount In Rs.) As At 31.03.2011
14 <u>CASH AND BANK BALANCES</u>		
Balance with Banks	120,419	25,415
Cash on Hand	104,859	959,583
Fixed deposits with banks	24,235,923	9,815,300
TOTAL	<u>24,461,201</u>	<u>10,800,298</u>
15 <u>SHORT TERM LOANS AND ADVANCES</u> (Unsecured and Considered Good)		
Balance with Income Tax Department	4,099,921	1,502,295
Balance with Govt./Semi Govt.Dept Deposits	55,766	204,882
Others Advances	1,285,420	1,318,153
	14,312,855	4,666,396
TOTAL	<u>19,753,962</u>	<u>7,691,726</u>
16 <u>REVENUE FROM OPERATIONS</u>		
Sales of Products	547,666,239	470,164,242
Income from Services	622,843	144,676
	<u>548,289,082</u>	<u>470,308,918</u>
Less : Excise Duty	336,360	192,819
TOTAL	<u>547,952,722</u>	<u>470,116,099</u>
17 <u>OTHER INCOME</u>		
Interest		
From Current Investments	773,841	695,561
Profit on Sale of Assets	-	177,778
Others	384,119	6,393,052
TOTAL	<u>1,157,960</u>	<u>7,266,391</u>
18 <u>COST OF MATERIALS CONSUMED</u>		
Imported	-	-
Indigenous	127,349,750	2,270,363
TOTAL	<u>127,349,750</u>	<u>2,270,363</u>



Notes on Financial Statements for the Year ended 31st March, 2012

	As At 31.03.2012	(Amount In Rs.) As At 31.03.2011
19		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE</u>		
Inventories (at close)		
Finished Goods / Stock-in-Trade	355,586	342,986
Stock-in-Process	1,021,210	1,021,210
Inventories (at commencement)		
Finished Goods / Stock-in-Trade	342,986	342,986
Stock-in-Process	1,021,210	1,104,910
TOTAL	<u>(12600)</u>	<u>83700</u>
20		
<u>EMPLOYEE BENEFITS EXPENSE</u>		
Salaries and Wages	7,498,008	2,195,503
Contribution to Provident and Other Funds	393,412	41,982
Staff Welfare Expenses	267,674	106,513
Others	1,781,302	813,465
TOTAL	<u>9,940,396</u>	<u>3,157,463</u>
21		
<u>FINANCE COSTS</u>		
Interest Expenses	6,662,974	1,924,075
Other (Bank Charges)	1,768,436	1,468,897
TOTAL	<u>8,431,410</u>	<u>3,392,972</u>
22		
<u>DEPRECIATION AND AMORTISATION EXPENSES</u>		
Depreciation and Amortisation	5,856,065	3,791,624
TOTAL	<u>5,856,065</u>	<u>3,791,624</u>
23		
<u>OTHER EXPENSES</u>		
Manufacturing expenses		
Electricity, Water & Gas Charges	1,238,823	942,485
Labour Charges	164,870	416,972
Repair & Maintainance	402,751	258,254
Stores & Spares Consumed	204,766	112,505
Transportation Charges	73,709	5,750
Lease Rent	1	1
TOTAL	<u>2,084,920</u>	<u>1,735,967</u>



Notes on Financial Statements for the Year ended 31st March, 2012

	As At 31.03.2012	(Amount In Rs.) As At 31.03.2011
<u>Selling and Distribution Expenses</u>		
Other selling and Distribution Expenses	2,440,318	1,089,945
	<u>2,440,318</u>	<u>1,089,945</u>
<u>Establishment Expenses</u>		
Professional fees	946,362	788,429
General Expenses	1,116,399	520,877
Rent	851,340	70,945
Insurance	211,717	122,558
Rates & Taxes	176,635	134,016
Travelling Expenses	359,647	117,619
Payment to Auditors	126,845	133,472
Loss on Sale / Discard of Shares	-	373,331
	<u>3,788,945</u>	<u>2,261,247</u>
TOTAL	<u>8,314,183</u>	<u>5,087,159</u>
23.1 <u>PAYMENTS TO AUDITORS AS :</u>		
a As Auditors	71,695	71,695
b Statutory Audit Fees	33,090	39,717
c Tax Audit Fees	22,060	22,060
TOTAL	<u>126,845</u>	<u>133,472</u>
23.2 <u>EXPENDITURE IN FOREIGN CURRENCY</u>		
PURCHASES	-	63,434,571
TRAVELLING EXPENSES	-	-
TOTAL	<u>-</u>	<u>63,434,571</u>



Notes on Financial Statements for the Year ended 31st March, 2012

	<u>As At</u> <u>31.03.2012</u>	<u>(Amount In Rs.)</u> <u>As At</u> <u>31.03.2011</u>
24 <u>EARINGS PER SHARES (EPS)</u>		
i Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	2,644,552	7,626,462
ii Numbers of equity shares	7,078,500	7,078,500
iii Basic and Diluted Earnings per share	0.37	1.08
iv Face Value per equity share	10/-	10/-
25 <u>EARINGS IN FOREGIN EXCHANGE</u>		
Sales	-	-
Import Purchase (On C.I.F Value)	-	63,434,571

26 RELATED PARTY DISCLOSURES :

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below :

List of related parties where control exists and related parties with whom transactions have taken place and relationships :

<u>Name of the Related Party</u>	<u>Relationship</u>
1 Nasik Super Tool Co Pvt Ltd	Control Exists
Sheela Vinod Gupta	"
Spectra Auto	"
Spectra Motors Ltd	"
Vasai Roller Flour Mill Pvt Ltd	"
Veebee Associates	"
J.D.International	"
2 Mr. Vinod Kumar Gupta	Key Managerial Personal
3 Mr. Bharat Bhushan Gupta	Relatives of Key Management personal
4 Mr. Jaidev Vinod Gupta	"

ii Transactions during the year with related parties :

Control Exists	
Advance Taken	19,300,000
Trade Advance	23,205,000
Purchase	10,238
Services	2,840
Managerial Personal	
Remuneration	1,231,150
Relatives of Key Management personnel	
Sitting Fees	27,500



Notes on Financial Statements for the Year ended 31st March, 2012

	<u>As At</u> <u>31.03.2012</u>	<u>(Amount In Rs.)</u> <u>As At</u> <u>31.03.2011</u>
27		
<u>CONTINENT LIABILITIES AND COMMITMENTS :</u>		
i		
Contingent Liabilities		
Claims against the Company not acknowledged as debts hence not provided	930,500	930,500
ii		
Commitments		
The Company has filed suits for recovery againsts its debtors and the same are pending with the court	6,964,541	6,964,541

As per our Report of even date
For D.K. ROONGTA & COMPANY
Chartered Accountants

DINESH K. ROONGTA
(Membership No.100/17679) (Firm Reg No.108871W)
(Proprietor)
Place : Mumbai
Date : 30.05.2012



SPECTRA INDUSTRIES LIMITED

Plot No. 9, Spectra Compound, Ramchandra Lane Extn., Kanchpada II, Malad (West), Mumbai - 400 064.

Folio No. _____ No. of shares _____ Client Id. _____

I/We _____
of _____ (Write Full Address)

being member / members of **SPECTRA INDUSTRIES LIMITED** hereby appoint _____

of _____ or failing him _____

of _____ (Write Full Address)

as my / our Proxy to attend and vote for me / us and on my / our behalf at the Twentieth Annual General Meeting to be held on Monday, the 17th day of September 2012 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix Revenue Stamp of
Re. 1

Signature

Note: The proxy must be sent so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

-----Cut Here-----



SPECTRA INDUSTRIES LIMITED

Regd. Off : Plot No. 9, Spectra Compound, Ramchandra Lane Extn., Kanchpada II, Malad (West), Mumbai - 400 064.

PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No. _____

NAME AND ADDRESS OF THE SHAREHOLDER

No. of shares held _____

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company held on MONDAY, THE 17TH DAY OF SEPTEMBER 2012 at 11.00 A.M. at Green Village Resorts Limited, Near Malavani Church, Opposite Akashwani Kendra, Marve Road, Malad (West), Mumbai 400 095

Signature of the Shareholder / Proxy _____

BOOK-POST

To



If Undelivered, please return to :

SPECTRA
INDUSTRIES LIMITED

P.O.Box No. 7638
Malad (West),
Mumbai - 400 064.